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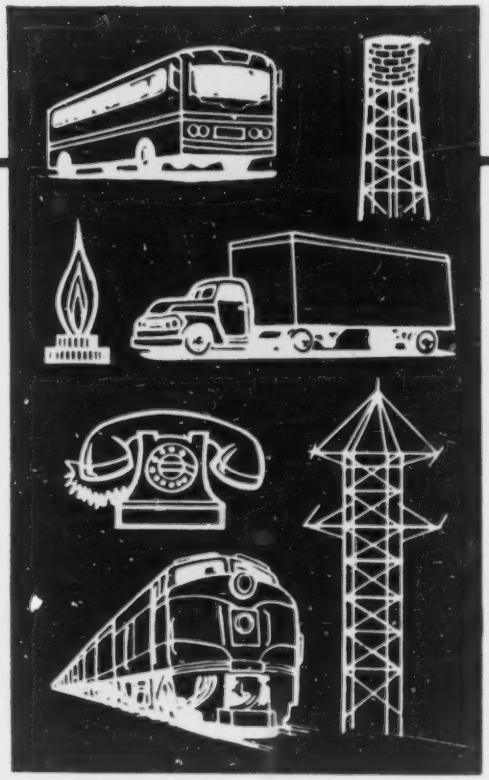

North Carolina Utilities Commission

1986 Report — VOL. XVII

Major Activities — April 1985 through March 1986

with

Statistical and Analytical Data Through 1984

LETTER OF TRANSMITTAL

May 1, 1986

The Honorable James G. Martin
The Governor of North Carolina
Raleigh

Dear Governor Martin:

We hereby present for your consideration the 1986 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission for the period April 1985 through March 1986 with statistical and analytical data for the operations of the utilities through 1984.

Respectfully submitted,
Robert O. Wells, Chairman
Dr. Robert K. Koger, Commissioner
Sarah Lindsay Tate, Commissioner
Edward B. Hipp, Commissioner
A. Hartwell Campbell, Commissioner
Ruth E. Cook, Commissioner
Julius A. Wright, Commissioner

Prepared by

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I. Organization And History

A. COMMISSION STAFF AND ORGANIZATION CHART

There were seven commissioners and 57 funded positions comprising the Commission Staff as of March 1, 1986. Commissioners are appointed by the Governor subject to confirmation by the General Assembly in joint session.

NORTH CAROLINA UTILITIES COMMISSION
COMMISSION STAFF
Commissioners & Supervisory Personnel
March 1, 1986

Commissioners
Robert O. Wells, Chairman

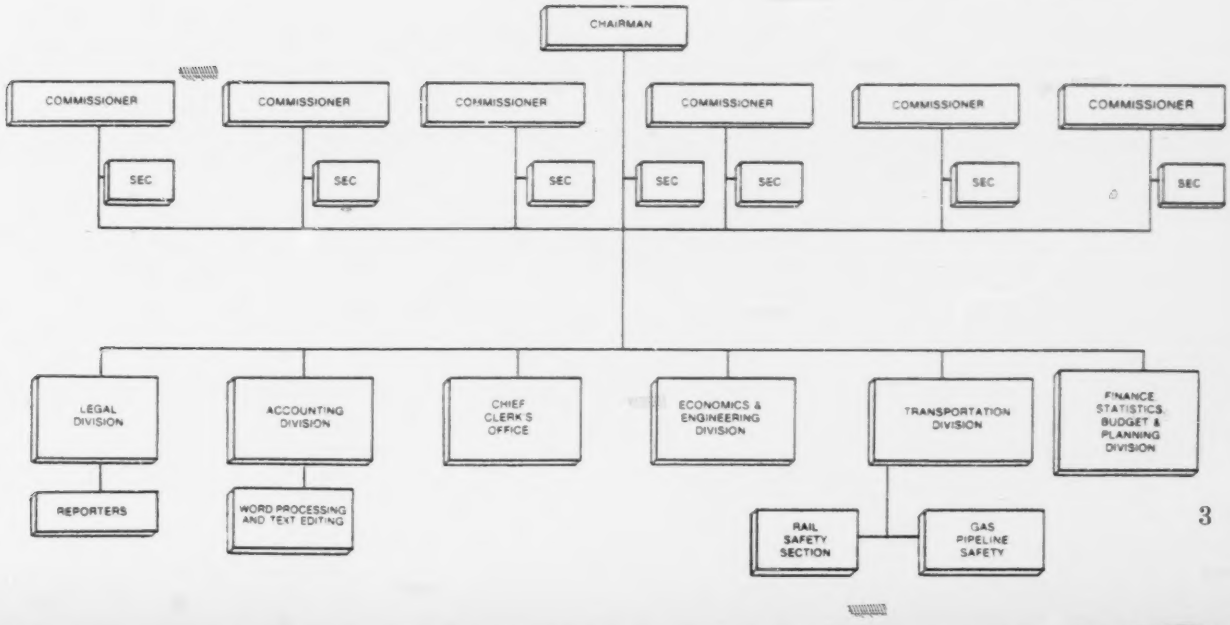
Dr. Robert K. Koger Commissioner	A. Hartwell Campbell Commissioner
Sarah Lindsay Tate Commissioner	Ruth E. Cook Commissioner
Edward B. Hipp Commissioner	Julius A. Wright Commissioner

Staff Heads & Directors

Chief Clerk	Mrs. Sandra Webster
Legal Division	Robert H. Bennink, Jr.
Accounting Division	Donald R. Hoover
Engineeering Division, Electric	David F. Creasy
Finance, Statistics, Budget & Planning Division	Joseph W. Smith
Transportation Division (Includes Motor, Rail and Gas Pipeline Safety Activities)	Danny C. Stallings

FIGURE NO. 1-1

COMMISSION STAFF — ORGANIZATION CHART
March 1, 1986



B. BIOGRAPHICAL SKETCH OF EACH COMMISSIONER AS OF MARCH 1, 1986

ROBERT O. WELLS, CHAIRMAN: Born June 16, 1938, in Jones County, North Carolina; University of North Carolina at Chapel Hill (BA in Education); Owner, Robert O. Wells Insurance Agency (1963-85); Member, High Point City Council (1973-77); Member, High Point Planning and Zoning Commission (1978-81); Member, High Point Economic Development Corporation (1981-85); Member, Economic and Community Development Committee, North Carolina League of Cities (1983-85); Member, Transportation and Commerce Committee, National League of Cities (1985); Mayor, City of High Point (1981-85); Assumed Commissionership July 1, 1985, Current term ends June 30, 1993; Married (Linda) Four children.

ROBERT K. KOGER, COMMISSIONER: Born September 10, 1936, in Byrdstown, Tennessee; University of Tennessee (BS in Electrical Engineering), North Carolina State University (Master of Economics), North Carolina State University (Ph.D. in Industrial Engineering); U.S. Rural Electrification Administration Engineer in North Carolina (1961-67); North Carolina Utilities Commission Utilities Engineer (1967-70); Director of North Carolina Utilities Commission Engineering Division (1970-77); Licensed Professional Engineer; Assumed Commissionership May 24, 1977; North Carolina Utilities Commission Chairman (1977-85); Current term ends June 30, 1989; Married (Jeane), Three children.

SARAH LINDSAY TATE, COMMISSIONER: Born March 14, 1927, in Charlotte, North Carolina; University of North Carolina (AB, LLB); Raleigh Community Relations Commission, Associate Counsel for insurance companies, Private law practice; Assumed Commissionership May 24, 1977; Current term ends June 30, 1993; One daughter.

EDWARD B. HIPP, COMMISSIONER: Born August 30, 1921, in Charlotte, North Carolina; Davidson College (BS), University of North Carolina (JD); World War II Infantry Rifle Platoon Leader (1942-46) (Awarded Silver Star and Purple Heart); North Carolina Attorney General's Office: Staff Tax Attorney (1950-51); North Carolina Revisor of Statutes (1952-53); Private law practice (1953-61); Special counsel for North Carolina General Statutes Commission Utilities Law Revision (1962-63); North Carolina Utilities Commission General Counsel (1963-77); Assumed Commissionership October 21, 1977, Current term ends June 30, 1989; Married (Dorothy), Three children.

A. HARTWELL CAMPBELL, COMMISSIONER: Born October 8, 1916, in Buies Creek, North Carolina; Campbell College (AA), Wake Forest University (BS), University of North Carolina, Yale University (BD); Minister of Church (1941-46); Manager and owner of radio and television stations (1946-79); Member, State Physical Fitness Commission, Member, Greenville City School Board (1958-63) and City Council (1963-64); State Representative (1969-79); Assumed Commissionership July 2, 1979, Current term ends June 30, 1987; Married (Verda), Three sons.

RUTH E. COOK, COMMISSIONER: Born November 11, 1929, in Berlin, Germany; New York University; Member, North Carolina House of Representatives (1974-83); Chairman, Appropriations Base Budget Committee on Human Resources; Chairman, Consumer Protection Committee of the Southern Legislative Conference of the Council of State Governments (1982); The N.C. Housing Programs Study Commission, Chairman (1981-82); Governor's Task Force on Science and Technology (1982); Savings and Loan Study Commission (1980); Board of Directors of North Carolina Housing Finance Agency (1981); Chairman, North Carolina Council for the Hearing Impaired (1979); Executive Director, State Council for Social Legislation (1966-74); President, North

Carolina Consumers Council (1977); Charter Board Member, Raleigh Inter-Church Housing Corporation (1966-69); President, Raleigh/Wake League of Women Voters (1963-65); Member, Wake County Democratic Women; Member, Women Executives in State Government Assumed Commissionership July 1, 1983; Current term ends June 30, 1991; Husband (deceased), Two children.

JULIUS A. WRIGHT, COMMISSIONER: Born October 10, 1951, in Waycross, Georgia; Valdosta State College (BS in Chemistry), Georgia State University (MBA in Finance); Chemist, Occidental Petroleum Corporation (1975-76); Research Chemist, Chemical Products Corporation (1976-79); Senior Project Engineer, Corning Glass Works (1979-85); Owner, Video Investment Corporation (1982-85); North Carolina State Senator (Three terms, 1981-85); Assumed Commissionership June 10, 1985, Current term ends June 30, 1993; Married (Phyllis), One daughter.

C. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR

Robert P. Gruber began his term as Executive Director on July 1, 1983. From February 1978 until this appointment he had served as General Counsel to the North Carolina Utilities Commission. From 1973 to 1978 he had been employed by the North Carolina Department of Justice where he had served as a Special Deputy Attorney General in charge of the Utilities Section. Prior to this he had been in private law practice in Raleigh, North Carolina. He earned his law and undergraduate degrees from the University of North Carolina.

D. PUBLIC STAFF AND ORGANIZATION CHART

As of March 1, 1986, there were an Executive Director and 77 funded positions comprising the Public Staff of the North Carolina Utilities Commission.

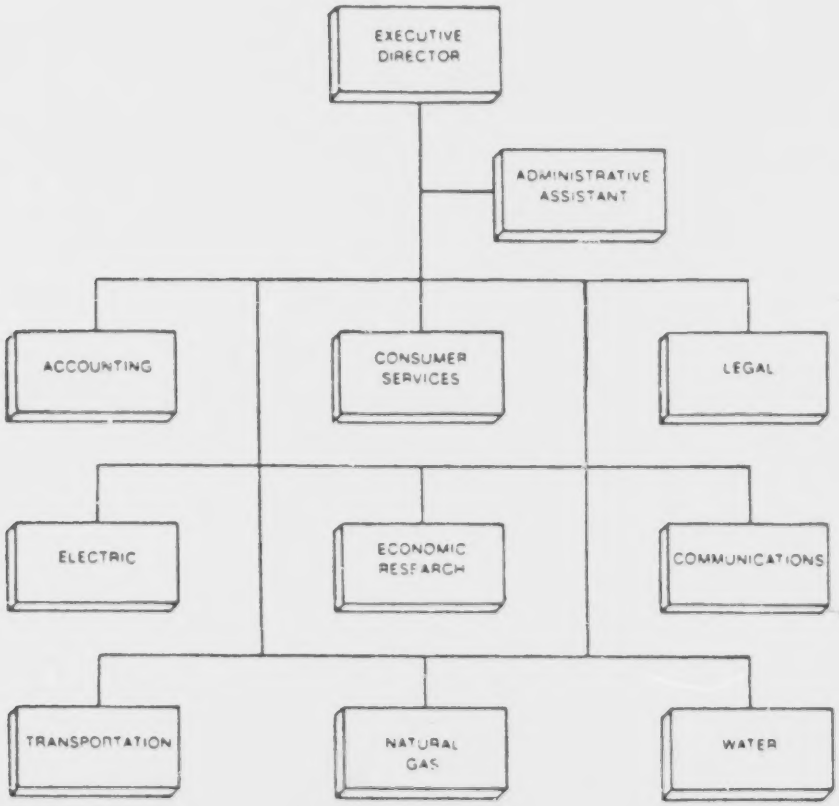
PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION
March 1, 1986

Executive Director
Robert P. Gruber

Administrative Assistant .....Margaret K. Kimzey
Accounting Division .....William E. Carter
Communications Division .....Gene A. Clemmons
Consumer Services Division .....J. Craig Stevens
Economic Research Division .....George T. Sessoms, Jr.
Electric Division .....Dennis J. Nightingale
Gas Division .....Raymond J. Nery
Legal Division .....Antoinette R. Wike
Transportation Rates Division .....James C. Turner
Water Division .....Jerry H. Tweed

FIGURE NO. 1-2

PUBLIC STAFF -- ORGANIZATION CHART
March 1, 1986



E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat or canal companies, express and telegraph companies.

The major changes occurring in North Carolina regulatory field since 1891 are in chronological order as follows:

1893—Telephone industry brought under regulation.

1897—Street railways brought under regulation.

1899—Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900—The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905—Supervision of building and loan association transferred to State Insurance Commissioner.

1913—Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925—Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931—Transfer of banking department to the Commissioner of Banks.

1933—The Corporation Commissioner abolished. The office of Utilities Commissioner created with two associate commissioners.

1937—Administration of Capital Issues Law transferred to Secretary of State.

1941—The North Carolina Utilities Commission established, consisting of three full-time members with six-year terms.

1947—Motor Vehicle common and contract carriers of property over irregular routes brought under regulation and regulation implemented.

1949—Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded. Membership increased to five commissioners and a technical staff of engineers, accountants, and directors of transportation added.

1963—The utility laws of North Carolina updated and rewritten.

1965—Electric Membership Corporation brought under limited jurisdiction of the Utilities Commission relating to assignment of service and promotional payments.

1967—The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Initiation of Cooperative Agreement in the enforcement of interstate motor carriers safety regulations with the Interstate Commerce Commission. (G.S. 62-266)

b. Authorization for the Utilities Commission to collect same fees for registration of interstate authority and interstate vehicles as is charged intrastate carriers. (G.S. 62-300)

c. Authority to regulate the standards of safety for interstate natural gas pipelines passing through North Carolina (G.S. 62-41 and G.S. 62-43)

d. Change in appeal procedure of Utility Cases; they now go to the Court of Appeals rather than to the Superior Courts. (G.S. 62-90)

1969—The following amendments to the General Statutes 62 known as the Public Utilities Act are of interest to the general public and the regulatory agency:

a. *Register ICC Exemptions.* Authorization for the Commission to require *all* interstate carriers to file copies of their respective interstate authority or register their *exempt* operation. The registration for the ICC exempt carriers for the first time is the significant feature of this act. (G.S. 62-266)

b. *Inspect Utility Affiliate Records.* Authorization for the Commission to inspect the books and records of corporations affiliated with public utilities regulated by the Commission, including parent corporations and their affiliates. (G.S. 62-51)

c. *Furnish False Information to the Utilities Commission; Failure to Furnish Information to Commission.* Action by legislature declaring it a misdemeanor for utilities under the jurisdiction of the Commission to furnish false information or for failure to furnish information on report forms furnished by the Commission. (G.S. 62-326)

d. *Radio Common Carriers.* Commission authority extended to grant Certificates

of Public Convenience and Necessity to radio common carries in areas where the landline telephone company has heretofore protested certificates of radio common carriers. (G.S. 62-120)

1971—The following amendments to the General Statutes 62, known as the Public Utilities Act, were approved by the General Assembly in the current year:

a. The Executive Organization Act of 1971 created the N.C. Department of Commerce, (143A-174). The North Carolina Utilities Commission was transferred to the Department of Commerce. (G.S. 62-10)

b. *Safety Standards for Interstate and Intrastate Natural Gas Pipelines.* Authorization by the General Court of Justices of North Carolina to issue court orders, restraining orders, injunctions and other processes of the court in actions by the Utilities Commission to enforce the provisions of gas pipeline safety, and authorizing the Commission to bring such action as may be necessary for compliance. (G.S. 62-50)

c. *How Rates Fixed—Natural Gas Distribution Companies.* Utilities Commission given permission to permit gas companies to increase their rates to customers to the extent that such increases are occasioned by increases in the wholesale rates paid by the utilities. This increase could be allowed without a general rate case hearing. (G.S. 62-133)

d. *Change in definition of "Public Utility."* Prior to 1971, those persons or companies selling water to less than 25 residential customers were, by statute, exempt from Utilities regulation. 1971 legislation modified the definition of a public utility to include anyone furnishing water to 10 or more residential customers. (G.S. 62-3)

1973—The following amendment to the General Statutes 62, known as the Public Utilities Act, were approved by the General Assembly in the current year:

a. Change in definition of "public utility." Town of Pineville, N.C., included insofar as town supplies telephone service to the public for compensation. This includes town limits as of May 8, 1973, and shall also include area proposed to be annexed, until January 1, 1975. Utility Commission has no authority in respect to rates or charges for service until July 1, 1974. (G.S. 62-3 (23) f)

Related Statute - Electric Service in Urban Areas. **Authority and Jurisdiction of Utilities Commission** G.S. 160-A-334 rewritten as follows:

If N.C. Utilities Commission finds that service being furnished to consumer by a secondary supplier to be inadequate or undependable, or that rates are unreasonably discriminatory, the Commission shall have the authority and jurisdiction after notice to each affected electrical supplier, and after hearing, if hearing is requested, to:

Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier, and to order such secondary supplier to cease and desist from furnishing electric service.

1974—The following selected Legislative Bills of significance to the operations of the utilities, the utilities ratepayers, and the Commission itself were passed by the General Assembly in the 2nd Session (1974) of the 1973 Session and along with other utility bills not listed here are included in General Statutes 62, known as the Public Utilities Act:

a. *How Rates Fixed — Small Water and Sewer Utilities.* The Commission may now fix such rates on the ratio of the operating expenses to the operating revenues such ratio to be determined by the Commission, unless the utility requests that such rates be fixed under G.S. 62-133 (b). Previously only motor carrier rates were determined in relation to an operating ratio. (G.S. 62-133.1 (a))

A water or sewer utility may enter into uniform contracts with nonusers of its utility service within a specific subdivision or development for the payment by such nonusers to the utility of a fee or charge for placing or maintaining lines or other facilities or, otherwise, making and keeping such utility's service available to such nonusers which in effect is an availability charge. (G.S. 62-133.1 (b))

b. *Future Test Period Authorized.* Authority given to the Commission, in its discretion, to use a current as well as a past test period in establishing public utility rates. This change gave the Commission authority to use a 12-month future test period for setting rates which

required the extensive use of estimated and forecasted operating data in addition to actual historical data. (G.S. 62-133(c)) (The General Assembly, during the 1975 Session, amended G.S. 62-133(c) by rewriting the second sentence of Subsection (c) and in effect restoring the test period used in general rate cases to 12 months historical operating expenses prior to the date the proposed rates are to become effective.)

c. *Less than the Full Commission May Hear Small Utility Rates Cases* — In matters where total annual revenue requested or where total annual revenues increase requested is less than $50,000 even though all rates are affected, the Chairman of the Commission may refer the matter to a division of the Commission, to a Hearing Commissioner, or to a Hearing Examiner for hearing. Previously, the full Commission was required to hear all general rate cases. (G.S. 62-81) *Increased to $100,000 by 1977 legislative amendment. Increased to $300,000 by 1981 legislative amendment.

1975—Major legislation affecting the regulation of utilities:

a. *Definition of the term "Panel."* Panel as used herein means three Commissioners, a division of the Utilities Commission authorized for the purpose of carrying out certain functions of the Commission. (G.S. 62-3)

b. *Increase in the number of Commissioners from five (5) to seven (7).* All Commissioners henceforth are to be appointed by the Governor subject to confirmation by the General Assembly in joint session. (G.S. 62-10)

c. *Initiation of Management Audits.* Management Audits may be initiated by the Commission of any public utility company once every five years by a competent, qualified and independent firm with the cost of such audit to be borne by the particular public utility subject to the audit. (G.S. 62-37 (b))

d. *Procedure before the Commission.* The Commission shall sit in panels of three unless the Chairman, by Order, shall set the proceeding for hearing by the Full Commission. (G.S. 62-60.1)

e. *Long Range Forecast.* The Commission is required to develop, publicize and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimates of the probable future growth of the use of electricity, the probable needed generating reserve, the extent, size, mix and general location of generating plants and arrangements for pooling power to the extent not regulated by the Federal Power Commission. (G.S. 62-110.1 (c, d, e, f))

f. *Rate Changes due Solely to Changes in Cost of Fuel.* Effective on and after September 1, 1975, application by any public utility for permission and authority to increase its rates and charges based solely upon the increased cost of fuel used in generation or production of electric power must be suspended for a period not to exceed ninety (90) days. A hearing on the merits of the application must be held within thirty (30) days of the date of the filing with an Order responsive to the application being issued not later than ninety (90) days from the filing Date. A rate decrease due solely to a decrease in the cost of fuel, upon motion of the Commission or application of any person having an interest in said rate, shall be set for hearing. Any person directly interested in these proceedings shall have a full right of intervention. These types of proceedings shall not be considered a general rate case. To implement this new legislative act the Commission adopted a new Rule, R1-36 which prescribes the information and exhibits required to be filed with the application. (G.S. 62-134 (e) and (f))

1977—Major legislation affecting the regulation of utilities:

a. *Creation of the Office of Executive Director and Public Staff to Represent the Using and Consuming Public.* The Commission personnel was divided into a Commission Staff and a Public Staff. The Office of Executive Director was established to direct the Public Staff. The Executive Director shall be appointed by the Governor subject to confirmation by the General Assembly in joint session. The term of the Executive Director shall be six years and the salary the same as that fixed for Commissioners. The Executive Director may be removed from office by the Governor in the event of his incapacity to serve; and the Executive Director may be removed from office by the Governor upon the affirmative recommendation of a majority of the Commission, concurred in by a majority of the Utility Review Committee of the General Assembly. The Public Staff shall not be subject to

the supervision, direction, or control of the Commission, the Chairman, or members of the Commission.

The Public Staff has the duty and responsibility to review, investigate, intervene and make recommendations to the Commission relating to practically all matters affecting the using and consuming public and especially in the following areas: rates charged for services, level and quality of service rendered, issuance or cancellation of certificates for service and service areas, complaints of consumers, transfers, mergers or consolidation of utilities providing services to the public, contracts of public utilities with and between affiliates or subsidiaries and the issuance of securities or other financial matters affecting the utilities. The Public Staff has no duty, responsibility or authority with respect to the enforcement of natural gas pipeline safety laws, rules or regulations or to the laws, rules or regulations of common, contract and exempt carriers relating to their equipment, the registration of their vehicles, insurance coverage, licensing or training of drivers or the operation of motor vehicle equipment. (For complete detail of duties of Public Staff, see G.S. 62-15 (a) thru (i).)

b. *Gifts to Members of Commission, Commission employees, or Public Staff unlawful.* — Utilities may not offer nor may any member of the Commission, Commission Staff, or Public Staff accept any gift of money, property, or anything of value from the utilities. One violating this rule is guilty of a misdemeanor and may be fined and subject to dismissal for cause. A member of the Commission, Commission Staff or Public Staff may attend public breakfasts, lunches, dinners, or banquets sponsored by the regulated utilities. (G.S. 62-327)

c. *Public Staff Provision Renewable After Four Years.* — Unless the General Assembly shall otherwise direct, effective August 31, 1981, the Office of Executive Director and the Public Staff of the Commission shall terminate and the positions assigned to the Public Staff shall be assigned to the Commission. (Session Laws 1977, c 468, s. 23)

d. *Lifeline Rate Study.* — Resolution No. 63 urging the Utilities Commission to investigate and study Lifeline Rates for Consumers of electricity and natural gas was ratified by the General Assembly on June 14, 1977. Because of rapidly rising rates for electric and natural gas service and the great hardship the higher rates were causing many elderly and low income persons in the State, the Commission was urged to study and consider whether it is just and reasonable to establish a category of lifeline rates for essential levels of use by residential customers to provide lighting, cooking and refrigeration in their primary place of residency.

e. *Use of Original Cost plus Construction Work in Progress (CWIP) of public utilities property for rate-making purposes to be effective with respect to rate applications filed on and after July 1, 1979.* —Effective with rate applications filed on and after July 1, 1979, the Commission must use as the rate base for fixing rates of electric, gas, telephone and water and/or sewer utilities (unless the operating ratio is used for water and sewer companies) the reasonable original cost, less depreciation plus the reasonable original cost of construction work in progress (CWIP) of the public utility's property. This method replaces the currently used Fair Value formula (which excludes the value of CWIP) in determining the rate base for the fixing of rates. In conjunction with the enactment of the above amendment to G.S. 62-133 entitled "How rates fixed" the General Assembly also amended G.S. 62-2 entitled "Declaration of policy" by adding a new subsection (5) which reads as follows:

"(5) Require each public utility to discontinue capitalization of the composite carrying cost of capital funds used to finance construction (allowance for funds) on the construction work in progress included in its rate base upon the effective date of the first and each subsequent general rate order issued with respect to it after the effective date of this subsection; allowance for funds may be capitalized with respect to expenditures for construction work in progress not included in the utility's property upon which the rates were fixed. In determining net operating income for return, the Commission shall not include any capitalized allowance for funds used during construction on the construction work in progress included in the utility's rate base."

(See Session Laws 1977, c 691, ss. 2 & 3 for details of amendments to G.S. 62-133.)

f. *Constitutional Amendment (Article V) to allow municipalities to Issue Revenue Bonds to Finance the Cost of Electric Generation and Transmission Facilities.*

— This related legislation authorizing municipalities owning or operating electric systems and joint agencies composed of such municipalities to jointly or severally own, operate and maintain an electric system and to use revenue bonds to finance the cost thereof, subject to the approval of the electorate directly affects the regulated electric companies of North Carolina. Duke Power Co. has already agreed to sell a portion of its nuclear generating capacity to nineteen (19) North Carolina towns and cities which are members of the North Carolina Municipal Power Agency No. 1. (See Session Laws 1977, c 528, sections 1 thru 6 for details of Constitutional Amendment.)

g. *Uniform and Joint Rates Among Carriers of the Same Class Authorized.* Historically, tariff bureaus have been formed by common carriers for the purpose of establishing and publishing joint rates in order to achieve a stable rate structure. The enactment of Chapter 219 empowered the Commission to regulate and permit tariff bureaus to publish joint rates. (G.S. 62-152.1 and Commission Rule R4-12 set forth the Commission's requirement of a rate bureau in order for it to publish joint rates with this Commission.)

1979 & 1980 —Major legislation affecting the regulation of utilities

a. *Office of Executive Director and the Public Staff Made Permanent on April 10, 1979.* These positions otherwise would have been terminated on August 31, 1981. (Session Laws 1979, c 332, 3.1)

b. *Gas Pipeline Safety Standards Authority Expanded.* The Utilities Commission authority is expanded over natural gas pipeline safety standards to cover public housing authorities and apartment complexes or mobile home parks that distribute or submeter gas to their tenants. It also restates the Commission's existing authority over pipeline safety standards of interstate and intrastate gas utilities and pipeline carriers under franchise, as well as municipally owned distributors, without apparently changing the substance of this authority. (Session Laws 1979 c 269, G.S. 62-50)

c. *Ex-parte Communications.* The act was amended which forbids any nonwritten communication by a public utility or public staff member to a Commission member or hearing examiner relating to the level of rates to be charged by deleting the words "with regard to matters affecting the rates charged or proposed to be charged" and inserting in lieu thereof the words "regarding the level of rates specifically proposed to be charged." Article IV, G.S. 62-70(g) (Session Laws 1979, c 332, S.2.)

d. *Encouragement of Co-generation of Electricity.* Co-generation of electricity was encouraged by exempting from regulation persons who are constructing or operating an electric generating unit primarily for their own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation. However, such persons must report to the Utilities Commission the proposed construction of such a facility before construction begins. (G.S. 62-110.1(g))

e. *Power Sales by Small Power Producers.* In the event that a small power producer and an electric utility are unable to mutually agree to a contract for the sale of electricity or to a price for the electricity purchased by the electric utility the Commission shall require the utility to purchase the power, under rates and terms established under G.S. 62-156. (See Session Laws 1979, 2nd Session, 1980, c 1219, S.2.)

f. *Security Provisions Relating to Access to Nuclear Power Facilities and or Control over Nuclear Material.* The Chief Personnel Officer or his designee of any public utility franchised to do business in North Carolina shall be permitted to obtain from the State Bureau of Investigation a confidential copy of criminal history record information for screening an applicant for employment with or an employee of a utility or utility contractor where the employment or job to be performed falls within a class or category of positions certified by the North Carolina Utilities Commission as permitting or requiring access to nuclear power facilities or access to or control over nuclear material. (G.S. 62-333) (See Session Laws 1979, c 796.)

g. *Motor Carriers Providing "Charter Party" Services for Senior Citizens Exempt from Regulation.* Motor passenger carriers engaged in "Charter Party" service for senior citizens (60) years or older are exempt from Commission regulation except for subsections (f) and (g) of Article 12 G.S. 62-260. These sections deal with security, safety and registration regulations of motor passenger carriers and their vehicles. (G.S. 62-260 a(18)) (See Session Laws 1979, c 204.)

1981—Major Legislation Affecting the Regulation of Utilities:

a. *Rate-setting Hearings Nonmandatory When There Is No Significant Public Protest and All Parties Are in Agreement.* When there is no significant public protest received within 30 days of the publication of notice of a proposed rate change for a water or sewer utility, the Commission may decide the preceeding based on the record without a trial or hearing, provided said utility and all other parties of record have waived their right to any such hearing. (G.S. 62-81(f)) (HB 530)

b. *Commission Authorized to Decide the Level of Interest to Add to Customer Refunds.* The Commission under the amended law can decide the level of interest rate public utilities must pay on refunds of moneys to its customers which were advanced by or overcollected from its customers. Under the amended law the rate cannot exceed ten percent (10%) per annum, previously the only rate was six percent (6%) per annum. (G.S. 62-130(e) and G.S. 62-135(c) (HB 531)

c. *The Utility Company Shall Be the Source of Funds for the Public Staff to Employ Outside Assistance in Commission Proceedings.* The Executive Director of the Public Staff is authorized to employ, subject to the approval of the State Budget Officer, expert witnesses and such other professional expertise as deemed necessary to assist the Public Staff in its participation in Commission proceedings, and the compensation and expenses therefor shall be paid by the utility or utilities participating in said proceedings. Before this enactment, the funds for this type service came from the regular appropriated Public Staff budget or from the State Contingency and Emergency Fund. (G.S. 15(h)) (HB 529)

d. *Employment of Temporary Court Reporters With Costs to Be Borne by Individual Utility or Utilities.* The Commission is authorized to contract with or employ on a temporary basis, when deemed necessary by the Chairman of the Commission, court reporters in addition to those employed on a full-time basis by the Commission for the purpose of recording and transcribing testimony given at hearings before the Commission involving any Class A & B utility. The costs for these court reporters are to be charged directly to the involved utility or utilities. (G.S. 62-7(d)) (SB 639)

1982—Major Legislation Affecting the Regulation of Utilities (1982 Short Session)

Changes in Method and Times Per Year the Fuel Clause Adjustment May be Considered and the Treatment of Construction Work in Progress (CWIP) for Rate-Making Purposes. Chapter 62 of the General Statutes is amended by adding a new section, G.S. 62-133.2 (HB 1594). This new section provides that the Commission shall conduct only one hearing for each electric utility within 12 months of the last general rate case for the purpose of determining whether an increment or decrement rider is required to reflect actual changes in the cost of fuel and the fuel cost component of purchased power over or under base rates established in the last preceding general rate case. The amended law also provides that the Commission shall allow only that portion, if any, of a requested fuel adjustment that is based on adjusted and reasonable fuel expenses prudently incurred under efficient management and economic operations. Before enactment of this amendment there were fuel costs adjustment proceedings three times a year; and the Commission had been barred by court decisions from reducing fuel charges because of inefficient management of poor plant performance. The old fuel adjustment procedure in G.S. 62-134(e) is repealed.

CWIP changes for rate-making purposes were implemented by the legislature by changing words in the second sentence of G.S. 62-133(b) (1) from "shall be included" to "may be included, to the extent the Commission considers such inclusion in the public interest and necessary to the financial stability of the utility in question."

Prior to this change (since July 1, 1979) in the wording of G.S. 62-133(b) (1), the Commission had been required to include in the rate base for rate-making purposes the reasonable original cost of CWIP which had the effect of allowing the utilities to recover through rates the costs of obtaining money to build new facilities. The new law gives the Commission discretionary authority on whether to include CWIP costs in rates. The new law was effective June 17, 1982, the date of ratification.

1983—Major Legislation Affecting the Regulation of Utilities

Amendments to Appeal Procedures

Chapter 526, House Bill 493 is an act to implement the Constitutional amendment regarding appeal of Utility Commission orders. G.S. 7A-29 is amended to show appeals in a general rate case from decisions

of the Utilities Commission, now go directly to the Supreme Court. In the past, according to G.S. 7A-29, the appeal shall lie to the Court of Appeals.

Chapter 572, House Bill 513, is an act to clarify the filing of a notice of appeal in all appeals taken from decisions of the Utilities Commission. G.S. 62-90(a) is rewritten to include that any party to a proceeding before the Commission may appeal any final decision of the Commission within 30 days, if they file with the Commission a notice of appeal and set forth the grounds which they believe to be unjust or unreasonable. All other parties may give notice of cross appeal, if they explain the grounds which they believe to be unjust or unreasonable, within 20 days after the first notice of appeal.

Compensation for Outside Counsel--- Certain Natural Gas Litigation

Sec. 132. Compensation for outside legal fees in excess of twenty-five thousand dollars ($25,000) per year incurred by the North Carolina Utilities Commission on behalf of the using and consuming public in conjunction with natural gas litigation brought before federal courts and agencies shall be paid from refunds received from the Transcontinental Gas Pipeline Company rather than from the Contingency and Emergency Fund, provided that the agreement must be approved by the State Budget Office.

Transfer of Motor Carrier Safety Regulation to DMV

Sec. 137. The safety regulation of all motor carrier transportation services is transferred from the Utilities Commission, Department of Commerce, to the Division of Motor Vehicles, Department of Transportation. This transfer shall be a "type I transfer" as identified in G.S. 143A-6. The regulation of rates and market entry for motor carrier transportation services shall remain vested in the Utilities Commission. The agencies of State government affected by this transfer shall report to the 1984 Session of the General Assembly about any changes in the General Statutes required by this transfer.

1984- **Major Legislation Affecting the Regulation of Utilities**

Utility Federal Tax Refund

Chapter 1097, House Bill 1513, is an act to change the state tax structure for commodities and services provided by certain utilities. This act will enable individuals to deduct the taxes on these commodities and services from their Federal income. This does not change rates, it simply converts about one-half the franchise tax to a sales tax so that the sales tax can be deducted from an individual's Federal income tax liability as an itemized deduction. It is the policy of this State that as many State taxes as possible be structured so that they are deductible for Federal income tax purposes under the Internal Revenue Code. This bill was ratified July 6, 1984, and was made effective on January 1, 1985.

1985- **Major Legislation Affecting the Regulation of Utilities**

Bus Regulatory Reform Act of 1985

Chapter 676, House Bill 977, is an act to reform the laws regulating common carriers of passengers by motor vehicle. The General Assembly finds and declares that a safe, competitive and fuel efficient passenger bus industry contributes to a strong economy and is vital to the transportation needs of the elderly, handicapped and poor; Congress has already enacted the Bus Regulatory Reform Act of 1982, which reduces unnecessary and burdensome government regulation of motor carriers of passengers, and now this State will amend and modify its laws regulating motor carriers of passengers to make them more compatible with the provisions of the Bus Regulatory Reform Act of 1982 and consistent with the public needs of the citizens of this State.

Every bus company shall provide safe and adequate service, and unless the Commission orders otherwise, no bus company shall make any changes in its rates, fares, or charges, which have been established under this Chapter, except after 30 days' notice to the Commission. This bill was effective and ratified on July 10, 1985.

Clarify the Definition of Preference or Advantage in Utilities Regulation and Provide a Corporate Income Tax Credit

Chapter 694, House Bill 1010 is an act to clarify the definition of preference or advantage in utilities regulation and to provide a corporate income tax credit. This bill states that it shall not be considered an unreasonable preference or advantage for the Utilities Commission to order a reduction in local telephone rates for low-income residential consumers meeting a means test established by the Commission in order to match any reduction in the interstate subscriber line charge authorized by the Federal Communications Commission. Also this bill allows a corporation that provides telephone service to low-income residential customers at reduced rates in accordance with an order of this Commission a credit against the tax imposed by this Division. This credit is allowed only for a reduction in local telephone service rates and fees.

Permit telephone service of coin, coinless, or key operated pay telephones by entities other than certificated telephone companies

Chapter 680, House Bill 1209, is an act to allow the provision of telephone service by entities other than the certificated telephone companies. The North Carolina Utilities Commission will issue a special certificate to persons who offer coin, coinless, or key-operated pay telephone service to the public. The certificated local exchange telephone company in the area of the new pay telephone service will be the only provider of the access line from the pay instrument to the network, and the rates approved by the Commission for this access line shall be fully compensatory. This bill was ratified and made effective on July 10, 1985.

FIGURE NO. 1-3

NORTH CAROLINA UTILITIES COMMISSION
Receipts and Expenditures
Fiscal Year Ended June 30, 1985

Source	Commission Staff	Public Staff [1]	Total N.C. Utilities
General Fund Appropriation	$1,646,758.78	$2,779,184.38	$4,425,943.16
Other Receipts			
Fees Collected by Commission:			
Transportation Division	295,586.00		295,586.00
Department of Motor Vehicles		168,974.00	168,974.00
Office of Chief Clerk	156,867.85	1,307.65	158,175.50
Misc. Revenues	32.40	406.60	439.00
Transfer - Prior Years	4,088.00		4,088.00
Federal Funds			
U.S. Gas Safety Program	80,993.58		80,993.58
Rail Safety	67,373.50		67,373.50
	$2,251,700.11	$2,949,872.63	$5,201,572.74
Expenditures			
Salaries and Wages	1,590,077.45	2,259,183.12	3,849,260.57
Fringe Benefits	310,429.28	456,419.61	766,848.89
Legal and Consulting Fees	73,853.77	0	73,853.77
Materials and Supplies	7,459.91	9,373.48	16,833.39
Travel	94,415.34	63,172.94	157,588.28
Postage, Telephone, Printing	63,297.89	39,003.68	102,301.57
Photocopying	22,800.88	13,483.34	36,284.22
Repairs of Building and Equipment	935.39	1,433.93	2,369.32
Data Processing Service	31.86	13,598.57	13,630.43
Employee Educational Expenses	313.00	2,548.25	2,861.25
Other Services and Expenses	906.02	.10	906.12
Rent - Building and Offices	720.00	120.00	840.00
Insurance and Bonding	170.85	16.18	187.03
Dues and Subscriptions	7,251.73	5,040.66	12,292.39
Office Furniture, Equipment, Books	9,993.62	11,661.81	21,655.43
Data Processing Equipment	55,861.77	71,200.03	127,061.80
Other Expenses	13,181.35	3,616.93	16,798.28
	$2,251,700.11	$2,949,872.63	$5,201,572.74
Number of Funded Positions	57[2]	77	134

[1] The 1977 N.C. General Assembly amended General Statute 62 to provide for a Public Staff in the Utilities Commission to represent the using and consuming public. Effective July 1, 1977, the Commission was completely restructured into two staffs, creating a budget for each staff.

[2] As of September 1, 1983, twenty-five (25) positions were transferred to the Department of Transportation, Division of Motor Vehicles to continue to administer the registration and insurance functions relating to the regulated motor passenger and motor freight carriers of North Carolina.

II. Selected Commission Activities April 1985 through March 1986

A. GENERAL

1. Public Involvement

The Commission has continued its emphasis on improving its public image by making its activities open for participation by the public and other interested parties. The table below shows the number of formal hearings held in Raleigh and in the service areas of the utilities involved; many of these hearings were held at night.

	Fiscal Year Ended June 30			
	1982	1983	1984	1985
Total Formal Hearings Held	186	227	240	279
Number of Hearings Held Away From Raleigh in Utility Service Areas	72	71	64	43
Percent of Total Hearings Held Away From Raleigh	39%	31%	27%	15%

The primary reason for holding hearings in the service areas of the utilities involved in the hearings is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings provides a broader knowledge of the scope and complexities of issues with which the Commission, the Public Staff, and all other participants must deal.

Advance public notice is given for all hearings of general interest and especially rate case hearings. Also news releases are made of important Commission decisions and activities. All Commission weekly conferences (Monday mornings generally) are open to the public as a spectator or participant.

For a summary of Commission proceedings docketed and heard in 1985 see Figure No. 2-1.

B. ELECTRIC

1. Load Forecast--N.C. Electricity Needs (1985-1994)

The General Statutes of North Carolina require that the Commission develop an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina. (G.S. 62-110.1). On December 1, 1983, the Commission issued its order adopting updated forecasts and plans for meeting long-range needs for electric facilities in North Carolina--1982/1983 in Docket No. E-100, Sub 46. The Order contained the most recent findings and conclusions of the Commission regarding generating capacity expansion by electric utilities serving North Carolina.

On July 17, 1984, the Commission issued an Order scheduling further hearings in Docket No. E-100, Sub 50, for the purpose of considering further updates to the various load forecasts and capacity expansion plans. The hearings were scheduled for early spring 1985, but subsequently, several parties to the proceeding requested that the hearings be postponed until late summer or early fall 1985. The Commission has scheduled the next load forecast hearings for April 1986, in view of the fact that there has been no dramatic change in the rate of growth in demand for electricity since the adoption of the Commission's last forecast in Docket No. E-100, Sub 46. Following are some load forecasts based on the most current annual reports filed by the electric companies:

Company	% Annual Growth Rates in Peak Demand During (1985-1994)
CP&L	2.0%-3.0%
Duke	1.7%-2.4%
Vepco	1.5%-2.5%

The current load forecasts adopted by the Commission are based in large part on the premise that conservation, load management, and emerging

alternative resources represent permanent charges in the approach of society toward the use of energy. Uncertainties concerning when the various known energy alternatives will become available in sufficient quantity to be of significant impact during the current planning horizon places the Commission in the position of having to evaluate "most likely" forecasts, while at the same time working to encourage energy alternatives which could change those "most likely" forecasts. Thus the Commission finds it necessary to allow for a great deal of flexibility in the planning for generation capacity expansion.

2. The Alternative Energy Corporation

Creation and Structure

The State of North Carolina responded to its own particular energy challenge by establishing the North Carolina Alternative Energy Corporation (AEC) to identify, adapt and promote alternative energy technologies and systems suited to North Carolina requirements. The AEC was established by the North Carolina Utilities Commission in 1980 after a series of public hearings that explored the state's energy situation. The Commission concluded that a statewide organization was needed to concentrate on solving electricity-related energy problems. The Commission structured the AEC as a quasi-public, non-profit, private corporation and secured financial support for the Corporation from both the regulated and nonregulated electric suppliers in North Carolina. The AEC is the nation's only cooperative joint venture in energy between government and public and private power organizations. In early 1985 the original five-year lifetime for the corporation was extended to December 31, 1990, by action of the Utilities Commission following a full public hearing.

The AEC is specifically charged with (1) finding and implementing alternative energy systems which can moderate the growth of electric demand in North Carolina and (2) working to shift peak demands for electric power in a cost-effective manner. To accomplish this the AEC is actively working on both electrical demand reduction systems, alternative energy supply systems, and especially seeking new and better methods of conserving energy.

AEC efforts are divided into industry, buildings, utilities, communities and agriculture programs. During 1985 the AEC saved 17 local governments more that $385,170 in energy costs, presented a workshop for 70 engineers on ways to reduce industrial cooling costs and installed energy improvements in 228 public housing units with estimated annual savings of over $60,000. They also analyzed the significance of indoor air quality in energy-efficient North Carolina homes, cofounded the volunteer weatherization of at least 274 homes of elderly residents and began testing residential solar water heaters, dual fuel heating systems, and 4-kW photovoltaic system for their impact on utility operations.

The AEC is governed by a Board of Directors composed of both public and utility representatives. The six utility organizations which provide funding for the AEC each appoint a director. These directors represent the state's investor-owned generation/transmission/distribution utilities (Carolina Power & Light Co., Duke Power Co., Nantahala Power & Light Co., and North Carolina Power), the association of electric cooperatives (North Carolina Electric Membership Corporation) and the association of municipal electric systems (ElectriCities).

The Governor of North Carolina appoints the remaining seven directors, one of whom must be the Chariman of the Board. This framework brings individuals representing widely different interests and perspectives together to work toward the common goal of maximum energy efficiency and minimum energy costs.

The six utility organizations contribute to the AEC in proportion to their kilowatt-hour sales. The AEC operates with an annual budget of approximately $2.3 million which is further supplemented by funds from outside sources where jointly funded projects are attractive. No State or Federal tax dollars are appropriated to support the AEC.

The AEC structure combines the flexibility and quick response of a private corporation with the public accountability inherent in a quasi-public organization. As such it encourages high levels of cooperation among all major producers of energy within North Carolina. Corporate flexibility allows projects to be implemented that precisely address important issues in order to accelerate widespread application of alternative energy technologies and techniques.

3. CWIP--Mandatory Inclusion in Rate Base Rescinded by the Legislature

On June 17, 1982, in a called short session, the North Carolina General Assembly enacted into law language changes in G.S. 62-133(b)(1) that had the effect of rescinding the mandatory inclusion in the rate base of Construction Work in Progress (CWIP) for rate-making purposes. The change in the statute from "shall be included" to "may be included" gives the Commission discretionary powers on this matter. The mandatory inclusion had been in effect since July 1, 1979, and had provided millions of additional dollars for the utilities. Because of the large construction programs, additional revenues required to support the allowed rate of return on the CWIP portion of investment in the most recent general rate cases amounted to approximately $165 million for CP&L, none for Duke, and $4 million for North Carolina Power. The real impact of this change in the treatment of CWIP on the consumers and on the ability to raise capital by the utilities depends to a large degree on the extent to which the Commission continues to allow all or a portion of CWIP in the rate-making process.

C. Consumer Pocketbook Issues

1. General Rate Case Decisions 1970-1985

A summary of the Commission decisions in general rate cases for the 16-year period from 1970 through December 1985 for the electric, gas and telephone groups show that 59.0% of the amount requested has been granted. Broken down by groups the amounts granted were electric--60.7%; gas--65.6%; and telephone--53.3%. (See Figure No. 2-2 for yearly totals).

During the most current 5-year period of 1981 through December 1985, the percentage granted for each group was less than for the previous 11 years of 1970 through December 1980; but the amount requested was about 50% greater than that requested during the entire previous 11 years. The amount granted during the most current 5 years was about 36% more than was granted during the previous 11-year period, although the gas group when taken alone was granted slightly less than for the previous 11 years. The following table shows the progression of amounts requested and granted during the last five years compared to the amounts requested and granted during the period from 1970 through 1980.

Period	Group	Requested ($000s)	Granted ($000s)	% Granted
1970-1980	Elec.	$1,004,343	$731,261	72.8
	Gas	54,512	36,633	67.2
	Phone	323,740	173,099	53.5
		$1,382,595	$940,993	68.1
1981-1985	Elec.	$1,717,374	$919,575	53.5
	Gas	73,557	47,331	64.3
	Phone	590,719	314,104	53.2
		$2,381,650	$1,281,010	53.8
1970-1985	Elec.	$2,721,717	$1,650,836	60.7
	Gas	128,069	83,964	65.6
	Phone	914,459	487,203	53.3
		$3,764,245	$2,222,003	59.0

Many factors such as interest rates, quality of service, cost of fuel, availablilty of gas supplies, future demands for utility service and utility managerial efficiency contribute to the final decisions reached by Commissioners in general rate case decisions. All of these factors are thoroughly investigated and evaluated by the Public Staff of the Commission for each rate case and then presented to the Commission for consideration as to treatment in the case. Some facts, however, lie beyond the control of the Commission and can account for even larger increases than the rate cases themselves. Cost of gas to the gas companies from the State's only supplier, Transcontinental Gas Pipeline Corporation (TRANSCO) requires an adjustment to consumers' gas rates, but this type of adjustment is made through a staff conference rather than through a general rate case. Fuel consumed for the generation of electricity was adjusted at intervals through regular open conference until June 17, 1982, when the procedure was changed to include fuel cost adjustments in general rate cases or through a formal hearing within 12 months of the last general rate case. For both gas companies and electric companies, the price, or cost adjustment to the ultimate consumer, is not necessarily the result of just general rate cases and, in fact, these cost adjustments can have as much or an even greater effect on the cost of services to the utlimate consumer than any other aspect of the industry.

2. N.C. Utility Rates vs. Consumer Price Index (CPI)

For the first time in several years electricity rates in North Carolina increased at a lower rate than did the Consumer Price Index (CPI-U) for all urban consumers. From 1984 to 1985 residential electric rates increased from an average of 6.64 cents per kWh to 6.84 cents per kWh or an increase of 3.01%. For the two years the CPI-U increased from 311.1 to 322.2 or 3.57%. Not readily apparent but of great significance is the fact that the average residential North Carolina customer used fewer kWhs of electricity in 1985 than was used in 1984. Because charges for basic service are included in the average cost of a kWh of electricity, amounting to about $7.00 per month, the lower usage per customer would normally result in an increased cost per kWh although no rate change may have taken place at all. In 1985 in spite of the lower usage, added investment, and increased operating costs, North Carolina's electricity rates compared very favorably to the Consumer Price Index.

For the first time in the last decade the cost of natural gas to the residential consumer decreased. Generally as the result of the combination of additional gas supplies, lower cost alternative fuels, and unusually mild 1985 winter months gas prices were reduced on several occasions during the calendar years of 1984 and 1985. The decreases over the two-year period resulted in the cost to residential consumers of $6.51 per dekatherm in 1984 to $6.47 in 1985 or a reduction of .61% from one year ago. This compares to an average increase in the cost of gas from 1975 to 1984 of 22.71%.

The relative importance of the combined natural gas and electricity in the total CPI index was about 4.651% in 1984 and although North Carolina regulated energy costs may not be responsible for the overall slowing down of the growth in CPI North Carolina's gas and electric bills at least contributed to the slowdown in overall rising consumer prices.

Local telephone service increased slightly more than the CPI-U from 1984 to 1985; from $21.35 in 1984 to $22.22 in 1985 or an increase of 4.07%. This is the first time in recent history that local service rates have exceeded the CPI. Even this latest increase may be understated by the fact that over the two-year period customers have purchased telephone equipment for their own premises rather than lease the equipment

from the local telephone companies. This essentially amounted to an initial lump-sum payment for on premises telephone equipment but no monthly local service charge for the lease of this equipment.

The following table shows the electric, gas and telephone utility costs compared to the CPI for the years of 1975 through 1983 and 1984 to 1985.

N.C. Utility Rates vs. Consumer Price Index (CPI)

Year Ended December 31	Average Residential Electric Rates Per kWh (Cents)	Average Residential Gas Rates Per Dekatherm ($)	Average Monthly Telephone Bill For Local Service (All Customers) ($)	Consumer Price Index All Urban Consumers
1975	3.09	$1.99	$14.88	161.2
1980	4.29	$4.08	$20.03	246.8
1983	6.11	$6.50	$26.07	298.4
1975-1980 % Change	97.73%	226.63%	75.20%	85.11%
1984	6.64	$6.51	$21.35*	311.10
1985	6.84	$6.47	$22.22*	322.20
1984-1985 % Change	3.01%	(.61%)	4.07%	3.57%

*On January 1, 1984, Southern Bell Telephone and Telegraph Company's (So.Bell) leased telephone equipment was transferred to American Telephone and Telegraph Company's Information Systems division. The revenues from this leased equipment was included in So. Bell's local revenue prior to January 1, 1984. The absence of this revenue is the major reason for the large decrease in telephone bills from 1983 to 1984 and 1985.

FIGURE NO. 2-1

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION
DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1985

	Year	Buses	Electric	Gas	Railroads	Telephone	Trucks	Water & Sewer	Western Union	Gen. & Misc.	Grand Totals
Total Proceedings Before Commission	1985	14	46	41	28	606	475	177	0	35	1,422
Disposition of Proceedings											
1. Formal hearings held with orders to follow:	1985	8	12	7	8	46	85	83	0	30	279
2. Conferences with informal hearings held with the following type of decisions resulting:											
a. Regular and Letter Type	1985	4	34	34	20	560*	11	94	0	5	762
b. Short form orders issued	1985	2	0	0	0	0	379	0	0	0	381
Total Proceedings Accounted For	1985	14	46	41	28	606	475	177	0	35	1,422
Percent of Grand Total	1985	1.0%	3.2%	2.9%	2.0%	42.6%	33.4%	12.4%	0	2.5%	100.0%
Number of Orders Appealed	1985	2	9	5	0	23	2	8	0	10	59

* Includes 458 Tariff Filings and 34 Map Filings

FIGURE NO. 2-2
ELECTRIC, GAS & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED
FOR CALENDAR YEARS 1970-1985
($000s)

Electric Group	Requested	Granted	% Granted
1970	$1,280	$0	0.0
1971	56,533	39,045	69.1
1972	63,728	48,120	75.5
1973	32,555	22,769	69.9
1974	144,793	61,439	42.4
1975	186,871	175,255	93.8
1976	82,656	82,656	100.0
1977	77,711	49,615	63.8
1978	83,996	51,423	61.2
1979	35,511	28,314	79.7
1980	238,709	172,625	72.3
Sub Total	$1,004,343	$731,261	72.8
1981	$379,813	$299,200	78.8
1982	382,009	80,244	21.0
1983	298,072	186,919	62.7
1984	364,717	195,541	53.6
1985	292,763	157,671	53.9
Sub Total	$1,717,374	$919,575	53.5
Grand Total	$2,721,717	$1,650,836	60.7

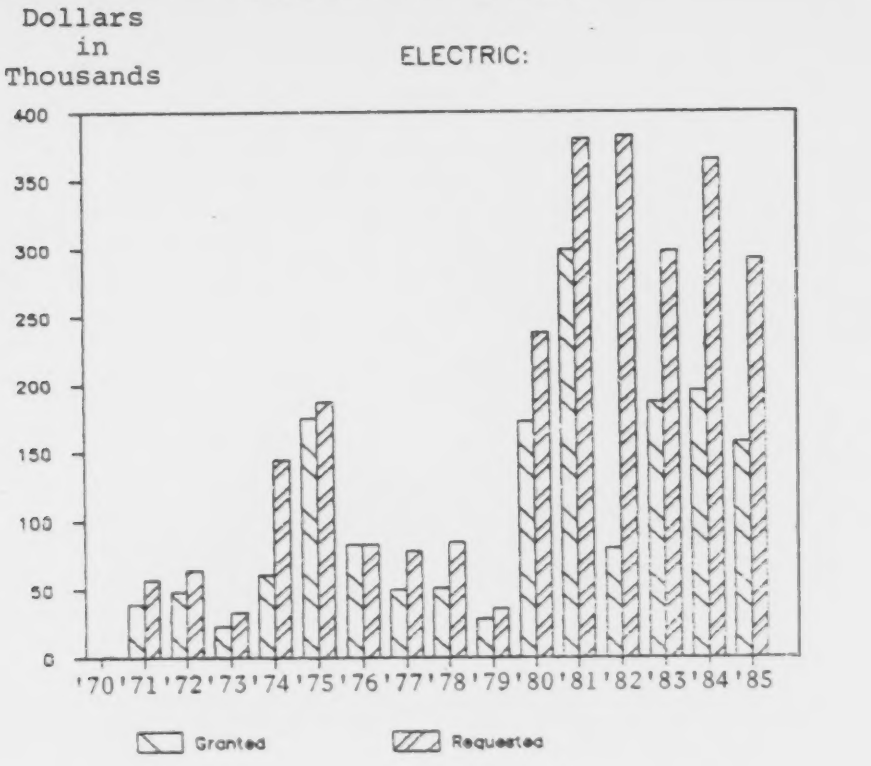
Gas Group	Requested	Granted	% Granted
1970	$0	$0	0.0
1971	6,414	4,955	77.3
1972	277	175	63.2
1973	7,220	2,264	31.4
1974	4,806	4,806	100.0
1975	5,952	4,817	80.9
1976	0	0	0.0
1977	4,451	1,514	34.0
1978	18,124	12,533	69.2
1979	5,984	4,353	72.7
1980	1,284	1,216	94.7
Sub Total	$54,512	$36,633	67.2
1981	$8,801	$5,610	63.7
1982	31,397	23,615	75.2
1983	13,615	3,057	22.5
1984	0	0	0.0
1985	19,744	15,049	76.2
Sub Total	$73,557	$47,331	64.3
Grand Total	$128,069	$83,964	65.6

Telephone Group	Requested	Granted	% Granted
1970	$449	$392	87.3
1971	25,512	14,722	57.7
1972	34,323	15.834	46.1
1973	9,299	3,993	42.9
1974	33,812	8,271	24.5
1975	76,477	51,015	66.7
1976	14,683	10,232	69.7
1977	4,325	3,591	83.0
1978	73,766	36,000	48.8
1979	5,812	3,560	61.3
1980	45,282	25,489	56.3
Sub Total	$323,740	$173,099	53.5
1981	$116,382	$74,526	64.0
1982	190,393	114,383	60.1
1983	177,407	67,559	38.1
1984	104,105	(A) 56,757	(A)54.5
1985	2,432	879	36.1
Sub Total	$590,719	$314,104	53.2
Grand Total	$914,459	$487,203	53.3

Electric, Gas, & Telephone Groups	Requested	Granted	% Granted
1970	$1,729	$392	22.7
1971	88,459	58,722	66.4
1972	98,328	64,129	65.2
1973	49,074	29,026	59.1
1974	183,411	74,516	40.6
1975	269,300	231,087	85.8
1976	97,339	92,888	95.4
1977	86,487	54,720	63.3
1978	175,886	99,956	56.8
1979	47,307	36,227	76.6
1980	285,275	199,330	69.9
Sub Total	$1,382,595	$940,993	68.1
1981	$504,996	$379,336	75.1
1982	603,799	218,242	36.1
1983	489,094	257,535	52.7
1984	468,822	252,298	53.8
1985	314,939	173,599	55.1
Sub Total	$2,381,650	$1,281,010	53.8
Grand Total	$3,764,245	$2,222,003	59.0

(A) These figures include an amount ($4,781,000) of toll revenues from the American Telephone & Telegraph Company toll settlement hearing (Docket No. P-100, Sub 69, dated 9-14-84). Figure No. 6-2--General Rate Increases Approved For Telephone Companies For The Year 1984 excludes this revenue.

FIGURE NO. 2-2 CONTINUED



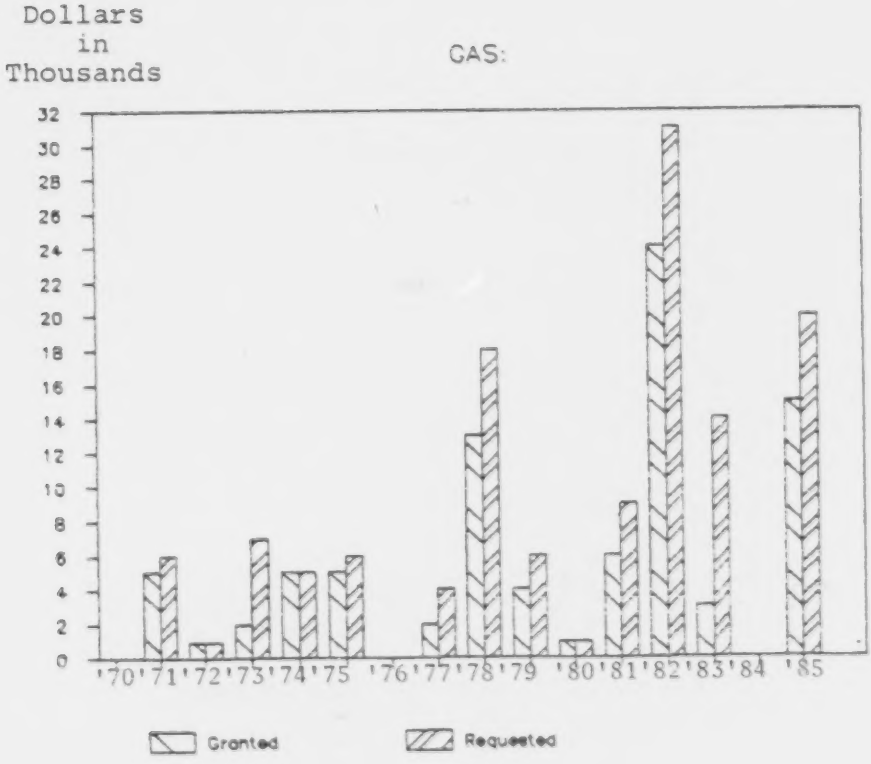
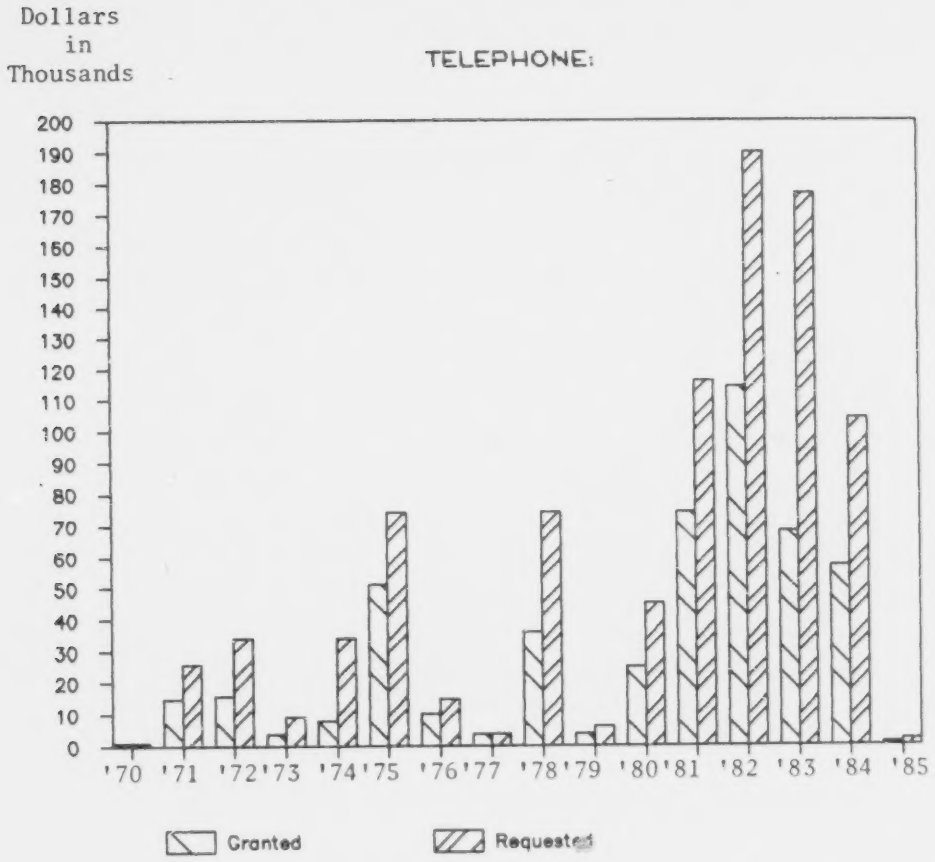
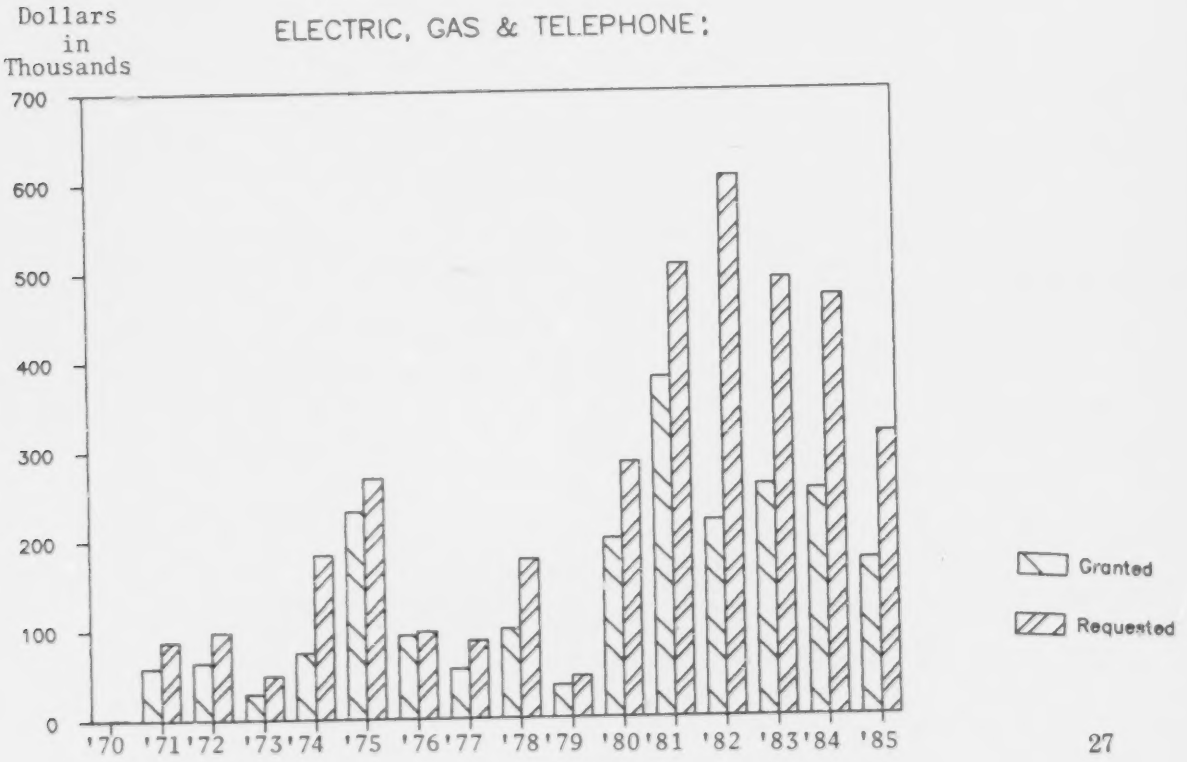


FIGURE NO. 2-2 CONTINUED





III. Summary Of The Commission Activities And Operations — 1983-1984 And Prior Years

A. OVERVIEW OF SIZE, OPERATING RESULTS AND NUMBER OF COMPANIES REGULATED

As shown on Figure No. 3-1 the major regulated electric, gas and telephone companies experienced increases in 1984 over 1983 in operating revenues, net income, plant investment, total capitalization and customers served. At December 31, 1984, there were 1,433 companies regulated by the North Carolina Utilities Commission as compared with 1,366 in 1983. In addition 80 municipal utility systems, while not regulated by the Commission, were required to file annual reports, making a grand total of 1,513 utilities regulated or required to file annual reports as of December 31, 1984. Many changes take place annually in various utility groups since new companies are being certified and others are being deleted because of sales, mergers and abandonments. See Figure No. 3-2.

B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties, the Commission maintains a full docket of formal and semiformal hearings and conferences. There are many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff). These complaints are handled through discussions with utility customers, executives, representatives, organizations and associations.

During 1984 there were 982 proceedings acted upon, as compared to 814 proceedings in 1983. There were 240 formal hearings and 742 informal hearings in 1984. See Figure No. 3-3 for 1984 number of proceedings by type of utility.

The proceedings require much time and effort by personnel of both the Commission and Public Staffs and more time in actual public hearings. The number of pages transcribed by the court reporters over previous years are as follows:

Year	No. of Pages Transcribed
1975	27,938
1976	23,942
1977	30,056
1978	34,057
1979	28,442
1980	28,829
1981	34,205
1982	25,447
1983	28,191
1984	27,737

The general rate increase hearings continued to generate much public interest in 1984. The Attorney General represented some segments of the public sector who wished to intervene while others provided their own legal counsel. In addition the Commission's Public Staff intervened in most cases and made their recommendations to the Commissioners. The Public Staff was created by the 1977 Legislature as an independent advocate charged with the responsibility of representing the using and consuming public in matters heard by the Commission.

Both the Commission and the Public Staff's participation in the formal general rate cases continued to increase as the case load increased and many aspects of ratemaking became more technical.

As shown in Figure No. 3-3 many docketed issues are settled by letter type orders and rulings. These are largely matters in which no one has intervened or no general public interest has been demonstrated, as in the case of many gas, electric, telephone and transportation tariff filings. These type proceedings accounted for 72.5% of the total proceedings before the Commission in 1984. Generally they require only about 10% to 20% of the time of the Commission's staff and the Commissioners.

Complaint Activity

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. A vast majority of these complaints are settled without becoming a docketed item and going into informal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Commission workload, the number of complaints received and handled in 1984 was 5,625, compared to 5,243 in 1983, and 4,942 in 1982.

C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 1984

The regulated utility companies made significant contributions to the economy of the State during 1984. There were 1,513 companies in 1984 compared to 1,446 in 1983. Figure Nos. 3-4, 3-5 and 3-6 portray the magnitude of the contributions in chart and table form. In 1984 employment by the utilities showed an increase of 1.6% from the previous year. Salaries and wages paid to the utility employees continued to increase in dollar amount from more than $2,124 billion in 1983 to $2,235 billion in 1984, a 5.2% increase. It should be noted that the salaries and wages paid by motor freight and motor passenger carriers include some non-regulated salaries and wages. Accurate and precise separated data is not currently available.

State income, franchise and property taxes paid by the regulated sector of the State's business community continued to be substantial.

	Utilities Percent of State Totals	
Type Taxes	**1983**	**1984**
State Income Taxes (Corporations Only)	24.7	25.7
State Franchise Taxes	87.8	84.2
Local Property Taxes	6.9	6.4
Bus and Truck Fees	24.1	23.7
Total of Above Taxes	24.9	24.3

Concurrent with the continuing increase in wages and taxes paid by the regulated utilities, gross operating revenues continued to increase. Figure No. 3-6 depicts this growth with the four Class A electric companies showing an increase of 10.6% in 1984 compared to 1983.

Investment in gross plant allocated to North Carolina by the electric, gas and telephone utility companies continued to increase over previous years. There was a 7.4% increase in the 1984 total gross plant allocated to North Carolina compared to the previous year, making a total of more than $16 billion as of December 31, 1984, ($16,346,601,000). The increased electric plant investment will serve the increasing number of electric and gas customers which numbered 2,227,529 in 1984 compared to 2,163,258 in 1983. In 1984 there were 2,549,105 telephone access lines reported compared to 2,447,116 in 1983. The telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines (P-100, Sub 58). As a result of the 4.2% increase in access lines, more funds will be required to provide adequate service to these additional access lines. The use of the term "access" lines instead of "main" lines and the change in method of counting these lines results primarily from the divestiture of American Telephone and Telegraph Company of its operating companies.

The regulated motor freight, motor passenger and railroad industries play an important role in the industry of North Carolina. However, due to accounting classification changes allowed by the ICC in 1979, and the changes in reporting of information by carriers, less information was available than has been in the past. For detailed information please refer to the individual sections in this publication.

FIGURE NO. 3-1

HIGHLIGHTS OF ACTIVITIES
ELECTRIC, GAS & TELEPHONE UTILITIES
1984 VS. 1983
(Dollars in Thousands)

Revenues and Expenses (N.C. Only):	Electric Class A 1983	Electric Class A 1984	Electric Class A % Change	Gas All Classes 1983	Gas All Classes 1984	Gas All Classes % Change	Telephone All Classes 1983	Telephone All Classes 1984	Telephone All Classes % Change
Operating Revenues	$3,319,382	$3,670,414	10.6%	$701,609	$735,282	4.8%	$1,668,455	$2,084,847	25.0%
Operating Expenses	2,730,489	2,950,256	8.0	667,020	694,919	4.2	1,355,691	1,764,307	30.1
Net Operating Income Including Taxes	$588,893	$720,158	2.2	$34,589	$40,363	16.7	$312,764	$320,540	2.5
Other Income (Deductions) Net*	325,787	272,555	(16.3)	3,551	2,645	(25.5)	15,885	26,086	64.2
Fixed Charges	375,855	389,791	3.7	15,177	17,277	13.8	105,488	111,536	5.7
Net Income	$538,825	$602,922	11.9	$22,963	$25,731	12.1	$223,161	$235,090	5.3
Plant (N.C. Only):									
Gross Plant**	$10,379,876	$11,080,084	6.7	$488,378	$531,656	8.9	$4,351,511	$4,734,861	8.8
Accumulated Depreciation	2,221,147	2,503,476	12.7	150,213	163,425	8.8	1,049,695	1,173,356	11.8
Net Plant	$8,158,729	$8,576,608	5.1	$338,165	$368,231	8.9	$3,301,816	$3,561,505	7.9
Capital Structure (Systemwide):									
Capital Stock & Surplus	$8,367,224	$8,950,650	7.0	$176,626	$188,558	6.8	$7,002,108	$13,766,722	96.6
Long Term Debt	7,724,033	8,290,281	7.3	143,230	146,466	2.3	4,885,321	8,851,350	81.2
Total Capital Structure	$16,091,257	$17,240,931	7.1	$319,856	$335,024	4.7	$11,887,429	$22,618,072	90.3
Long Term Debt % of Total Capitalization	48.0	48.1	0.2	44.8	43.7	(2.5)	41.1	39.1	(4.9)
Other Statistics (N.C. Only):									
Total Customers Yearly Average	1,779,104	1,830,497	2.9	384,154	397,032	3.4			
Average Number of kWhs per Residential Customer	11,873	11,834	(.3)						
Average Number of Dekatherms Used Per Residential Customer				86	87	1.2			
Average Revenue per kWh or Dekatherm per Residential Customer (Cents)	6.11	6.64	8.7	6.50	6.52	0.3			
Total Access Lines in Service							2,447,116	2,549,105	4.2
Average No. of Calls per Phone:									
Local							1,878	2,680	42.7
Toll							227	323	42.3

*Includes all allowance for funds used during construction (AFUDC) and all extraordinary and delayed items.

**Includes Plant in Service, Under Construction, Held for Future Use, and Leased to Others.

FIGURE NO. 3-2

UTILITIES REGULATED AND REPORTING TO THE
NORTH CAROLINA UTILITIES COMMISSION
1968, 1973, 1978, 1983, 1984

Type of Utility or Service	Number as of December 31				
	1968	1973	1978	1983	1984
Electric	12	13	10	7	7
Gas	7	5	5	4	4
Motor Freight Carriers by Type:					
Common Carriers	523	529	533	666	642
Contract Carriers	70	77	89	137	195
Common & Contract Carriers	24	19	21	21	53
Railroad Motor Freight Carriers	5	5	5	1	0
Total Motor Freight Carriers	622	630	648	825	890
Motor Passenger Carriers by Type:					
Common Carriers	49	45	59	48	45
Contract Carriers	11	7	4	2	1
Intracity Carriers (Fares only regulated)	9	9	10	3	2
Total Motor Passenger Carriers	69	61	73	53	48
Motor Boat Common Carriers	2	3	2	3	3
Railroad Companies	26	23	23	20	20
Transportation Brokers	4	5	27	59	62
Telephone	29	28	22	19	20
Telegraph	1	1	1	1	1
Water & Sewer	144	243	403	375	378
Total Utilities Under Regulation	916	1,012	1,214	1,366	1,433
Municipal Utility Systems Required to File Annual Reports with N.C. Utilities Commission:					
Electric	73	72	71	71	71
Gas	8	8	8	8	8
Telephone	1	1	1	1	1
Total Municipals Filing Annual Reports	82	81	80	80	80
Grand Total of all Utilities Regulated or Required to File Reports	998	1,093	1,294	1,446	1,513

FIGURE NO. 3-3

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION
DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1984

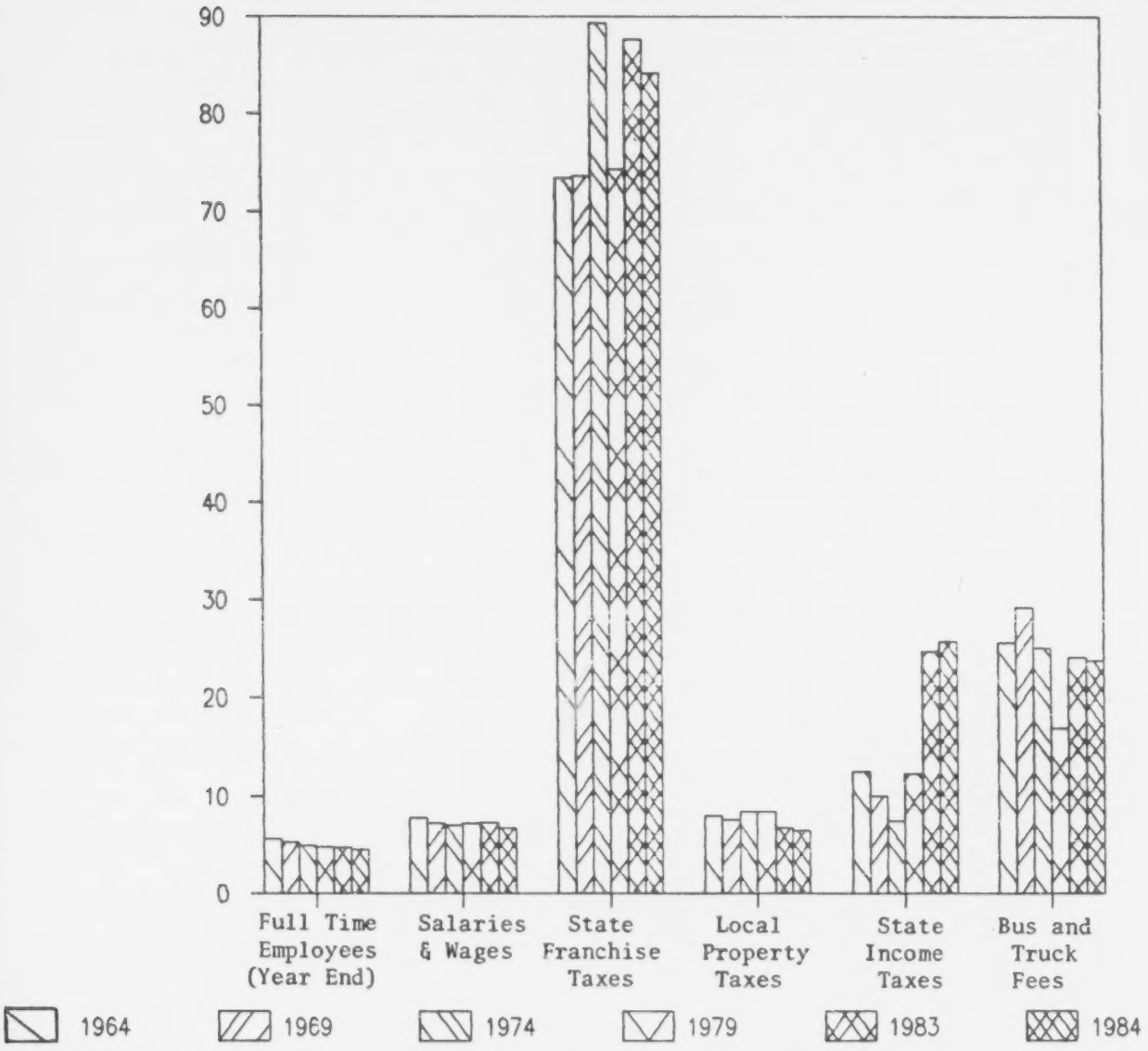
Item	Year	Buses	Electric	Gas	Railroads	Telephone	Trucks	Water Sewer	General & Miscellaneous	Grand Totals
Total Proceedings Before Commission	1984	18	53	39	63	423	151	173	62	982
Disposition of Proceedings										
1. Formal hearings held with orders to follow	1984	13	20	6	7	20	80	73	21	240
2. Conferences with informal hearings held with the following type of decisions resulting:										
a. Regular and Letter Type	1984	5	33	33	56	403*	41	100	41	712
b. Short form orders issued	1984	0	0	0	0	0	30	0	0	30
Total Proceedings Accounted for	1984	18	53	39	63	423	151	173	0	982
Percent of Grand Total	1984	1.83%	5.40%	3.97%	6.41%	43.08%	15.38%	17.62%	6.31%	100.00%
Number of Orders Appealed	1984	0	4	2	0	1	1	4	0	12

*Includes 342 tariff filings and 29 map filings.

FIGURE NO. 3-4

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
1964, 1969, 1974, 1983, 1984

Utilities Percent of State Totals



	Full Time Employees (Year End)	Salaries & Wages	State Franchise Taxes	Local Property Taxes	State Income Taxes	Bus and Truck Fees
Utilities	95,236	$2,234,850	$329,562	$85,447	$94,375	$15,262
State Totals	2,138,137	$32,761,445	$391,316	$1,338,227	$367,824	$64,528

1984 Data

FIGURE NO. 3-5

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA

SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES AND CERTAIN TAXES

PAID OR LEVIED--FOR THE YEARS 1964, 1969, 1974, 1979, 1983 AND 1984

Number of Full-Time Employees (N.C. Portion Only)

	1964	1969	1974	1979	1983	1984
Electric (Class A Only)	7,462	8,824	14,524	17,959	20,765	21,017
Gas	1,328	1,863	1,851	1,891	2,277	2,305
Telephone	11,563	16,526	20,146	21,188	20,106	17,170
Motor Freight Carriers (A)	25,072	33,472	37,183	41,734	42,144	46,298
Motor Passenger Carriers (A)	2,619	2,667	2,770	2,168	2,123	2,197
Railroads	8,912	7,449	7,515	6,987	6,253	6,183
Western Union	274	294	239	110	103	66
Total Utilities	57,230	71,095	84,228	92,037	93,771	95,236
Total for State	1,026,708	1,333,349	1,724,709	1,935,641	1,991,104	2,138,137
Utilities % of State Total	5.6%	5.3%	4.9%	4.8%	4.7%	4.5%

Salaries and Wages Paid to N.C. Employees (000s)

	1964	1969	1974	1979	1983	1984
Electric (Class A Only)	$46,296	$69,817	$168,099	$297,320	$540,935	$586,984
Gas	6,973	12,716	17,094	26,774	43,887	48,771
Telephone	62,614	108,143	206,008	359,413	506,186	458,157
Motor Freight Carriers (A)	150,116	253,258	397,185	657,291	835,828	941,821
Motor Passenger Carriers (A)	12,972	16,508	22,578	27,787	36,551	36,736
Railroads	54,938	66,028	100,255	136,493	158,460	160,162
Western Union	1,411	2,006	1,899	1,324	2,207	2,219
Total Utilities	$335,320	$528,476	$913,118	$1,506,402	$2,124,054	$2,234,850
Total for State (A)	$4,280,588	$4,380,668	$13,107,494	$21,050,398	$29,101,747	$32,761,445
Utilities % of State Total	7.8%	7.2%	7.0%	7.2%	7.3%	6.8%

Average Annual Compensation

	1964	1969	1974	1979	1983	1984
Electric (Class A Only)	$6,204	$7,912	$11,754	$16,555	$26,050	$27,929
Gas	5,250	6,825	9,235	14,159	19,274	21,159
Telephone	5,415	6,544	10,226	16,963	25,175	26,683
Motor Freight Carriers	5,987	7,566	10,682	15,750	19,833	20,343
Motor Passenger Carriers	4,953	6,190	8,151	12,817	17,217	16,721
Railroads	6,164	8,864	13,341	19,535	25,341	25,904
Western Union	5,149	6,823	7,946	12,036	21,427	33,620
Total Utilities	$5,859	$7,433	$10,841	$16,367	$22,652	$23,513
Total for State	$4,169	$5,535	$7,600	$10,875	$14,616	$15,322

(A) Table 1, "Insured Employment & Wage Payments" for years reported: Motor Freight--Industry Group 421; Motor Passenger--Industry Group 411 & 413. This data includes both regulated and non-regulated. The regulated freight carriers number about 1/3 and the passenger carriers about 58% of the total carriers included in the statewide industry groupings. A reliable and accurate separation between regulated and non-regulated wages and salaries for these groups is not available. State totals are for all industries with insured employment.

FIGURE NO. 3-5 CONTINUED*

State Franchise Taxes ($000s)

	1964	1969	1974	1979	1983	1984
Electric (Class A Only)	$15,551	$24,338	$63,952	$117,579	$194,208	$212,661
Gas	2,868	5,210	8,469	20,427	41,622	43,728
Telephone	8,403	13,799	25,982	46,989	75,793	71,511
Railroads	1,076	1,256	1,507	1,713	1,387 (B)	1,618 (B)
Western Union	23	27	32	41	36 (B)	44 (B)
Total Utilities	$27,921	$44,630	$99,942	$186,749	313,046	$329,562
Total for State	$37,976	$60,597	$111,742	$250,918	$356,307 (A)	$391,316 (A)
Utilities % of State Total	73.5%	73.7%	89.4%	74.4%	87.8%	84.2%

Local Property Taxes ($000s)

	1964	1969	1974	1979	1983	1984
Electric (Class A Only)	$8,192	$12,436	$22,806	$33,393	$42,617	$43,186
Gas	1,180	2,173	2,731	2,984	3,729	3,594
Telephone	5,282	10,251	20,655	30,084	32,333	29,729
Motor Freight Carriers (Class I & II)	682	1,405	1,721	1,513	1,590 (C)	1,444 (C)
Railroads	3,533	3,144	3,427	4,613	5,425 (D)	7,426 (D)
Western Union	29	40	66	56	66 (E)	68 (E)
Total Utilites	$18,898	$29,449	$51,406	$72,643	$85,760	$85,447
Total for State	$236,942	$389,764	$614,893	$867,422	$1,237,934 (F)	$1,338,227 (F)
Utilities % of State Total	8.0%	7.6%	8.4%	8.4%	6.9%	6.4%

State Income Taxes ($000s)

	1964	1969	1974	1979	1983	1984
Electric (Class A Only)	$4,643	$4,390	$2,341	$16,460	$39,124	$55,737
Gas	419	592	933	1,420	1,877	2,380
Telephone	3,244	4,785	7,071	14,223	22,752	23,405
Motor Freight Carriers (Class I & II)	615	422	1,159	1,500	11,538 (H)	12,115 (H)
Motor Passenger Carriers	170	131	113	177	173 (H)	173 (H)
Railroads	546	613	644	1,326	275 (I)	565 (I)
Total Utilities	$9,022	$10,933	$12,261	$35,106	$75,739	$94,375
Total for State (Corporations Only)	$76,916	$109,118	$165,474	$284,669	$306,517 (G)	$367,824 (G)
Utilities % of State Total	12.5%	10.0%	7.4%	12.3%	24.7%	25.7%

Bus and Truck Fees ($000s)

	1964	1969	1974	1979	1983	1984
Motor Freight Carriers (Class I & II)	$5,978	$9,105	$9,468	$9,763	$13,183	$14,479
Motor Passenger Carriers	277	344	526	603	713	783
Total Utilities	$6,255	$9,449	$9,994	$10,366	$13,896	$15,262
Total for State	$24,463	$32,343	$39,793	$61,214	$57,747	$64,528
Utilities % of State Total	25.6%	29.2%	25.1%	16.9%	24.1%	23.7%

* Footnotes for this chart are on the following page.

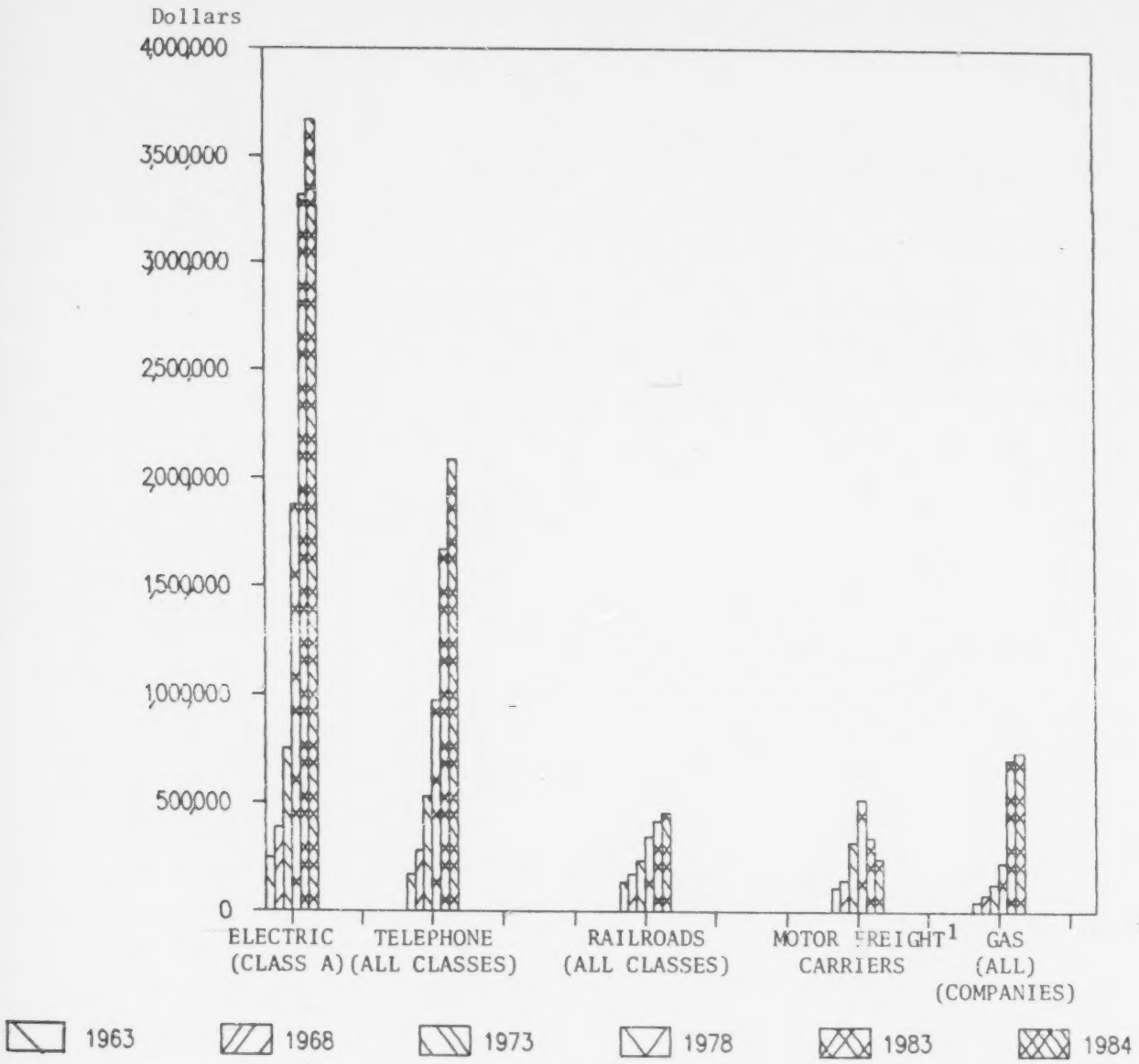
FOOTNOTES FOR FIGURE NO. 3-5

A. Statement of the Condition of the General Fund for the appropriate fiscal years plus truck franchise taxes, IRP and truck license fees.
B. Table 15--"1984" Statistics of Taxation.
C. Derived from the valuation of motor freight carrier property and the property tax rate for the correct year. Numbers from Tables 73 and 76 of "1984" Statistics of Taxation.
D. Real estate and personal property taxes as given in the annual reports filed with the Commission for the appropriate years.
E. Derived from the valuation of telegraph property and the property tax rate for the correct year. Numbers from Tables 73 and 76 of "1984" Statistics of Taxation.
F. Table 72--"1984" Statistics of Taxation.
G. Statement of the Condition of the General Fund for the appropriate fiscal years.
H. Estimated. The Motor Freight figures are a 5% increase from 1982 with State Income Taxes of 10,989,000 (Table 41, "1984" Statistics of Taxation.
I. State Income Taxes as given in the annual reports filed with the Commission by Class I and II Railroad Companies.

FIGURE NO. 3-6*

GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA
N.C. DATA ONLY

For the Calendar Years 1963, 1968, 1973, 1978, 1983, & 1984



	Motor Passenger Carriers	Water &Sewer[2,3]	Western Union
1963	$22.9 Million	$685 Thousand	$629 Thousand
1968	27.4 Million	1.5 Million	1.0 Million
1973	30.1 Million	3.1 Million	748 Thousand
1978	26.3 Million	3.5 Million	793 Thousand
1983	36.4 Million	7.5 Million	957 Thousand
1984	37.7 Million	8.1 Million	1.0 Million

*Footnotes for this chart are on the following page.

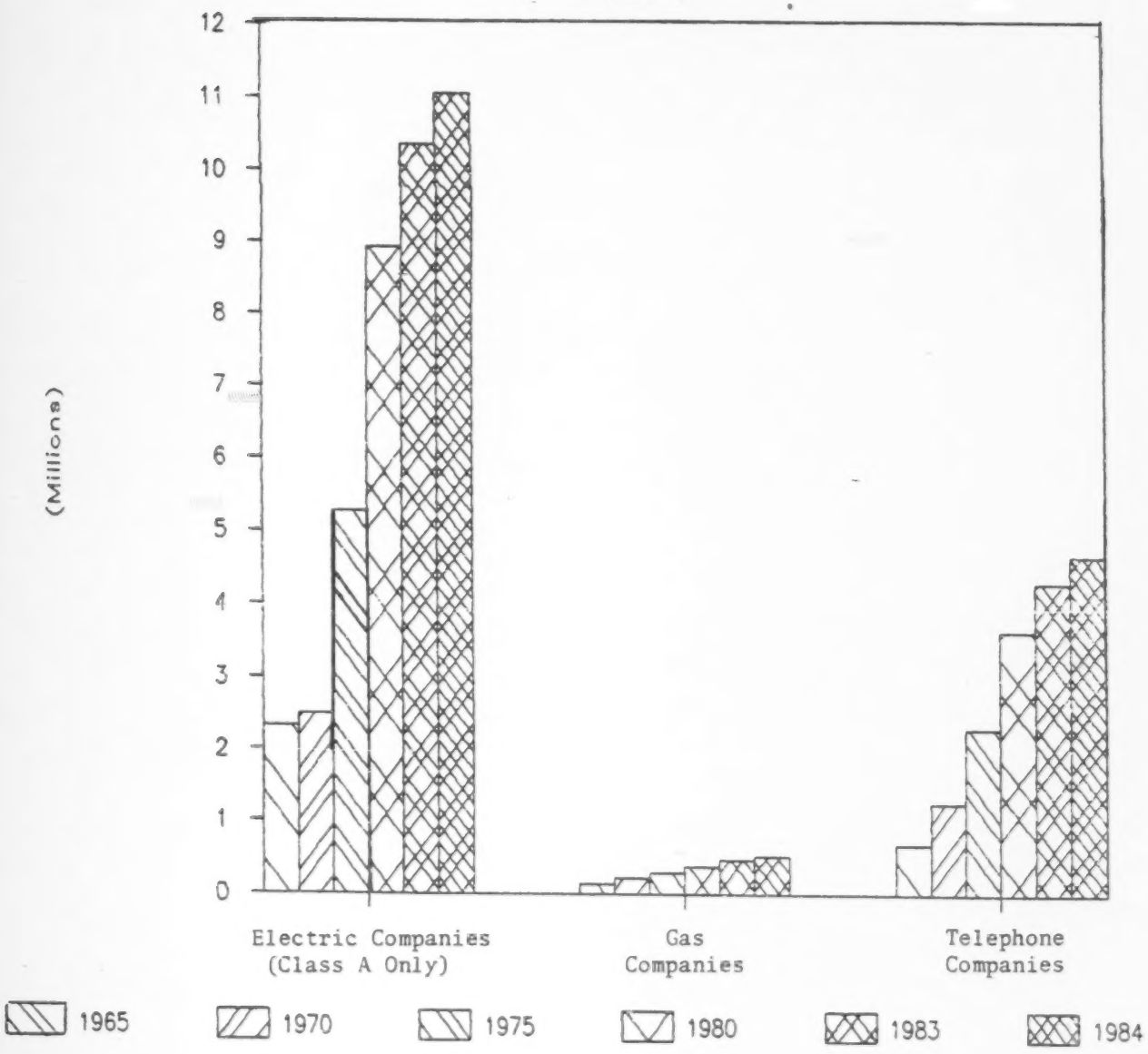
FOOTNOTES FOR FIGURE NO. 3-6

1. For 1963--Classes I, II and III were used. For 1967 and all future years, Classes I and II were used. ICC reclassification of carriers in 1979 reduced Class I and Class II carriers sharply.
2. For 1968-1973, 65 of the larger companies.
3. For 1977-1984, 14 of the larger companies.

FIGURE NO. 3-7

GROSS PLANT ALLOCATED TO SERVE NORTH CAROLINA CUSTOMERS
ELECTRIC--GAS--TELEPHONE

For the Years 1965, 1970, 1975, 1980, 1983, 1984
($000s)



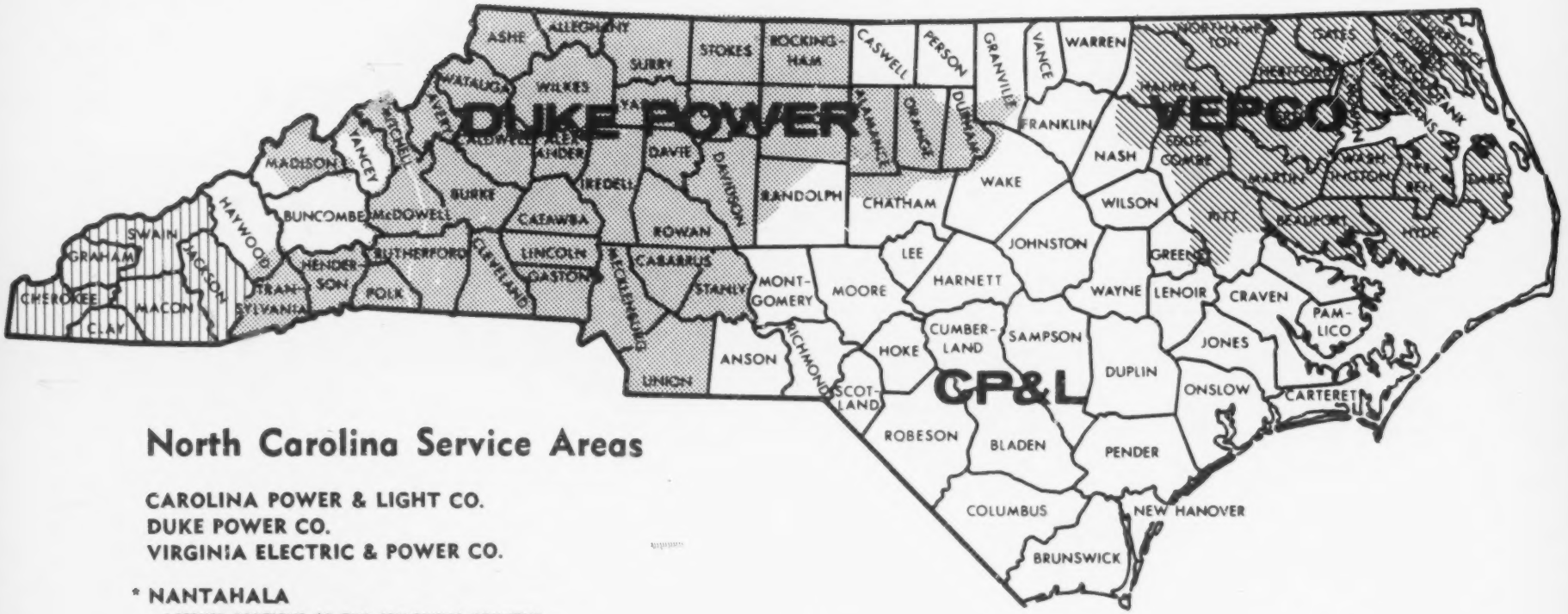
IV. The Electric Power Industry

FIGURE NO. 4-1

Private Power Company Service Areas

CLASS A COMPANIES

Regulated by North Carolina Utilities Commission



North Carolina Service Areas

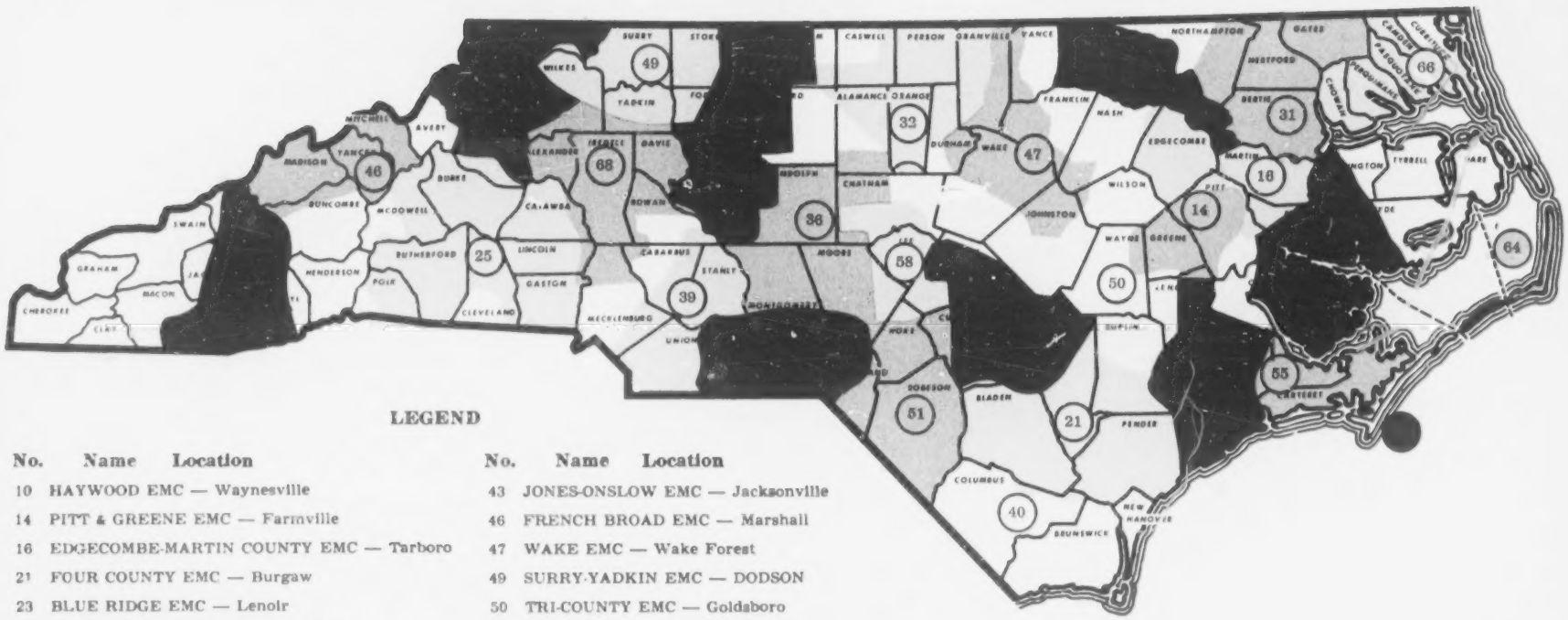
CAROLINA POWER & LIGHT CO.
DUKE POWER CO.
VIRGINIA ELECTRIC & POWER CO.

*** NANTAHALA**

* SERVES PORTIONS OF THE FOLLOWING COUNTIES:
CHEROKEE, CLAY, GRAHAM, JACKSON, MACON, SWAIN

Service Area Boundaries as of January 1, 1986

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATIONS



LEGEND

No.	Name	Location
10	HAYWOOD EMC	Waynesville
14	PITT & GREENE EMC	Farmville
16	EDGECOMBE-MARTIN COUNTY EMC	Tarboro
21	FOUR COUNTY EMC	Burgaw
23	BLUE RIDGE EMC	Lenoir
25	RUTHERFORD EMC	Forest City
31	ROANOKE EMC	Rich Square
32	PIEDMONT EMC	Hillsborough
33	HALIFAX EMC	Enfield
34	PEE DEE EMC	Wadesboro
35	DAVIDSON EMC	Lexington
36	RANDOLPH EMC	Asheboro
38	HARKERS ISLAND EMC	Harkers Island
39	UNION EMC	Monroe
40	BRUNSWICK EMC	Shallotte
43	JONES-ONSLOW EMC	Jacksonville
46	FRENCH BROAD EMC	Marshall
47	WAKE EMC	Wake Forest
49	SURRY-YADKIN EMC	DODSON
50	TRI-COUNTY EMC	Goldsboro
51	LUMBEE RIVER EMC	Red Springs
52	SOUTH RIVER EMC	Dunn
55	CARTERET-CRAVEN EMC	Morehead City
58	CENTRAL EMC	Sanford
59	TIDELAND EMC	Pantego
64	CAPE HATTERAS EMC	Buxton
66	ALBEMARLE EMC	Hertford
68	CRESCENT EMC	Statesville

FIGURE NO. 4-2

Service Area Boundaries as of January 1, 1986

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION

3333 North Boulevard
Raleigh, N.C. 27604

FIGURE NO. 4-3

CLASS A ELECTRIC COMPANIES

CAROLINA POWER & LIGHT COMPANY
RALEIGH, NORTH CAROLINA

Organized: April 6, 1926
Chairman and President: Sherwood H. Smith, Jr.--Raleigh, N.C.
Service (For North Carolina): Electric
States Served: North Carolina & South Carolina

DUKE POWER COMPANY
CHARLOTTE, NORTH CAROLINA

Organized: May 1, 1917
Chairman of the Board and Chief Executive Officer: William S. Lee--Charlotte, N.C.
President and Chief Operating Officer: Douglas W. Booth--Charlotte, N.C.
Service(For North Carolina): Electric, Water, Bus
States Served: North Carolina & South Carolina

NANTAHALA POWER AND LIGHT COMPANY
FRANKLIN, NORTH CAROLINA

Organized: July 23, 1929
President and Chief Executive Officer: W.M. Jontz
Vice-President and Treasurer: N.E. Tucker, Jr.
Service(For North Carolina): Electric
State Served: North Carolina

NORTH CAROLINA POWER COMPANY
(A wholly-owned subsidiary of Virginia Electric and Power Company)

Organized: June 29, 1909
President, Chairman of the Board and Chief Executive Officer: William W. Berry--Richmond, Va.
Service(For North Carolina): Electric
States Served: North Carolina, Virginia, and West Virginia

CLASS B, C, AND D ELECTRIC COMPANIES

COMPANY	COUNTY SERVED
Laurel Hill Electric Company	Scotland County
New River Light & Power Company	Watauga County
*Western Carolina University	Jackson County

*No operating or statistical data for this utility is included in this report. No report required by Commission.

MUNICIPAL ELECTRIC SYSTEMS AND SOURCE OF POWER

Municipality	Source of Power
Albemarle	Duke Power Company
Apex	Carolina Power & Light
Ayden	Carolina Power & Light
Belhaven	North Carolina Power
Benson	Carolina Power & Light
Black Creek	Wilson
Boone (ASU)	New River Light & Power
Bostic	Duke Power Company, Southeastern Power Administration
Cherryville	Duke Power Company, Shelby
Clayton	Carolina Power & Light
Concord	Duke Power Company
Cornelius	Duke Power Company, Crescent Electric Membership Corp.
Dallas	Duke Power Company
Drexel	Duke Power Company, Southeastern Power Administration
Edenton	North Carolina Power
Elizabeth City	North Carolina Power
Enfield	North Carolina Power, Halifax Electric Membership Corp.

FIGURE NO. 4-3 CONTINUED

MUNICIPAL ELECTRIC SYSTEMS
AND SOURCE OF POWER

Farmville	Carolina Power & Light
Fayetteville	Carolina Power & Light
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	North Carolina Power
Hamilton	North Carolina Power
Hertford	North Carolina Power
High Point	Duke Power Company
Highlands	Nantahala Power & Light
Hobgood	North Carolina Power
Hookerton	Carolina Power & Light
Huntersville	Duke Power Company
Kings Mountain	Duke Power Company
Kinston	Carolina Power & Light
LaGrange	Carolina Power & Light
Landis	Duke Power Company
Laurinburg	Carolina Power & Light
Lexington	Duke Power Company
Lincolnton	Duke Power Company
Louisburg	Carolina Power & Light, Southeastern Power Administration
Lucama	Wilson
Lumberton	Carolina Power & Light
Macclesfield	Wilson
Maiden	Duke Power Company
Monroe	Duke Power Company
Morganton	Duke Power Company, Southeastern Power Administration
Murphy	TVA
New Bern	Carolina Power & Light
Newton	Duke Power Company
Oak City	Edgecombe-Martin Electric Membership Corp.
Pikeville	Carolina Power & Light
Pinetops	Wilson
Pineville	Duke Power Company
Red Springs	Carolina Power & Light
Robersonville	North Carolina Power
Rocky Mount	Carolina Power & Light
Scotland Neck	North Carolina Power
Selma	Carolina Power & Light
Sharpsburg	Rocky Mount
Shelby	Duke Power Company
Smithfield	Carolina Power & Light
Southport	Carolina Power & Light
Statonsburg	Wilson
Statesville	Duke Power Company
Tarboro	North Carolina Power
Wake Forest	Carolina Power & Light
Walstonburg	Wilson
Washington	North Carolina Power
Waynesville	Carolina Power & Light
Wilson	Carolina Power & Light
Windsor	North Carolina Power
Winterville	Greenville

Total: 72

FIGURE NO. 4-4

ELECTRIC MEMBERSHIP CORPORATIONS AND SOURCE OF POWER

Electric Membership Corporation	Headquarters	Source of Power
Albemarle	Hertford	N.C. Power, SEPA*
Blue Ridge	Lenoir	Duke, SEPA
Brunswick	Shallotte	CP&L, SEPA
Cape Hatteras	Buxton	N.C. Power
Carteret-Craven	Morehead City	CP&L, SEPA
Central	Sanford	CP&L, SEPA
Crescent	Statesville	Duke, SEPA
Davidson	Lexington	Duke
Edgecombe-Martin County	Tarboro	N.C. Power, SEPA
Four County	Burgaw	CP&L, SEPA
French Broad	Marshall	CP&L
Halifax	Enfield	CP&L, N.C. Power SEPA
Harkers Island	Harkers Island	CP&L
Haywood	Waynesville	CP&L, Duke, SEPA Nantahala
Jones-Onslow	Jacksonville	CP&L, SEPA
Lumbee River	Red Springs	CP&L, SEPA
Pee Dee	Wadesboro	CP&L, Duke, SEPA
Piedmont	Hillsborough	CP&L, Duke, SEPA
Pitt & Greene	Farmville	CP&L, SEPA
Randolph	Asheboro	CP&L, SEPA
Roanoke	Rich Square	CP&L, SEPA
Rutherford	Forest City	Duke, SEPA
South River	Dunn	CP&L, SEPA
Surry-Yadkin	Dobson	Duke
Tideland	Pantego	CP&L, N.C. Power, SEPA
Tri-County	Goldsboro	CP&L, SEPA
Union	Monroe	Duke, SEPA
Wake	Wake Forest	CP&L, Duke, SEPA

* Southeastern Power Administration

Data from N.C. Rural Electrification Authority--Directory and Annual Report dated December 31, 1984.

FIGURE NO. 4-4 CONTINUED

FOREIGN ELECTRIC MEMBERSHIP CORPORATIONS[1]

Electric Membership Corporations	Headquarters	Source of Power
Blue Ridge Mountain	Young Harris, Ga.	TVA[2]
Broad River Electric Cooperative, Inc.	Gaffney, S.C.	Saluda Electric Corporations[3]
Mecklenburg Electric Cooperative, Inc.	Chase City, Va.	SEPA, Old Dominion
Tri-State	McCaysville, Ga.	TVA
Mountain Electric Cooperative, Inc.	Mountain City, Tenn.	TVA

[1] Electric Membership Corporations that have operations in North Carolina but have headquarters in other states.
[2] Tennessee Valley Authority
[3] Until the fall of 1983 power was supplied by Duke Power Company and Southeastern Power Agency.

Data from N.C. Rural Electrification Authority--Directory and Annual Report dated December 31, 1984.

A. GENERAL COMMENTS

There were four Class A electric utilities operating in North Carolina under the regulation of the North Carolina Utilities Commission at December 31, 1984: Carolina Power & Light (CP&L), Duke Power Company (Duke), North Carolina Power, a division of Virginia Electric & Power Company (Vepco), and Nantahala Power & Light Company (Nantahala).

CP&L serves more than 820,000 customers in a 30,000 square-mile area that includes about one-half of North Carolina and one-fourth of South Carolina. The population of their service area is approximately 3 million. The company is strategically located in the middle-Atlantic region, about 250 miles south of Washington, D.C., in the fast growing Sun Belt. Most of their customers live in uncongested small towns and active urban centers largely in the coastal plains, although the company's service area includes a part of the piedmont and a section of the Great Smoky Mountains in western North Carolina. The company's headquarters are located in Raleigh, North Carolina, the system's largest city with a metropolitan population of about 330,000.Customers are served through five divisions, ten districts and 43 area offices in the Carolinas. The retail customers in North Carolina account for 64.4% of CP&L's total sales.

Duke Power Company is the nation's eighth largest investor-owned electric utility. With headquarters in Charlotte, North Carolina, the company serves nearly 1.4 million customers in a 20,000 square-mile area of North and South Carolina known as the Piedmont. Duke operates two nuclear stations, eight coal-fired plants and 26 hydroelectric facilities. Duke's retail customers are served through 96 district and branch offices. North Carolina retail customers account for approximately 59.4% of Duke's total sales.

Virginia Electric and Power Company is the principal subsidiary of the holding company Dominion Resources, Inc. which was formed in 1983. Vepco provides electric service for nearly 3.8 million people in an area of 32,000 square miles, which includes 80% of the population of Virginia, as well as northeastern North Carolina and five counties in West Virginia. Only 4.3% of Vepco's total 1984 sales were to North Carolina retail customers. Since January 15, 1985, Vepco has done business under the names Virginia Power in Virginia, North Carolina Power in North Carolina, and West Virginia Power in West Virginia. Vepco generated electricity with four nuclear, 14 coal-fired, three oil-fired and nine small hdyroelectric facilities in 1985. Electric operations account for 95 percent of Dominion Resources' revenues.

Nantahala Power and Light Company serves the far western portion of North Carolina and is the only Class A company operating solely within North Carolina. Although it qualifies as a Class A utility, its service area and number of customers are small compared to the other three Class A companies. Aluminum Company of America (Alcoa) owns all of the capital stock of Nantahala. Portions of Nantahala's electric generation were formerly utilized by Alcoa for the smelting of aluminum. Retail customers in North Carolina accounted for 92.2% of total sales for Nantahala.

The four major electric companies provide service directly to retail consumers, and they are suppliers of electric energy on a wholesale basis to the 28 electric membership corporations (EMCs) operating in North Carolina. There are five EMCs with operations in North Carolina whose headquarters are in other states. The Class A companies also supply electric energy to the 72 municipalities operating electric distribution systems throughout the state. The North Carolina Utilities Commission does not regulate the retail rates and service of the EMCs or the municipalities operating in North Carolina.

There were three small electric utilities also operating in North

Carolina as of December 31, 1984: Laurel Hill Electric Company, a privately owned company located in Scotland County which served 665 customers in 1984; New River Light and Power Company, a subsidiary of Appalachian State University (ASU) located in Boone, N.C., which served 5,356 customers in 1984 with ASU being its largest single customer; and Western Carolina University located in Jackson County, N.C., which is not required to file an annual report with the North Carolina Utilities Commission.

B. CUSTOMER GROWTH--COMMENTS

In 1984 the four major electric utilities experienced a customer growth rate of 2.9% for their North Carolina operations. The net customer increase was 51,393 bringing the total average number of customers to 1,830,497 at December 31, 1984.

The smaller electric utilities experienced a 4.3% increase in their number of customers. Total customers increased from 5,771 to 6,021 during 1984. An average of 1,836,518 North Carolina customers were served by all the regulated electric utilities during 1984. See Figure No. 4-5.

C. ANNUAL CUSTOMER USAGE

The annual customer usage of kilowatt-hours per residential customer in 1984 was 11,834 kWhs. This is a .3% decrease from 1983. This figure for 1984 is 38% higher than the national average of 8,557 kWhs per residential customer. According to Figure No. 4-6 North Carolina's per customer residential consumption exceeds the national average for all the years shown between 1965-1984.

The average monthly use of electricity by North Carolina residential customers of Class A companies is 986 kilowatt-hours. Residential customers constitute about 86.0% of the total electric utility customers in the State. There is a direct correlation between the greater residential usage in North Carolina and the average charge per kilowatt-hour. Generally the lower the cost per kWh the greater the usage.

D. RATE INCREASES APPROVED

The average charge per kilowatt-hour for North Carolina residential service increased 8.7% from the preceding year. Figure No. 4-7 shows the average price of one kWh for the years 1960, 1965, 1970, 1975, 1980, 1982, 1983, and 1984. The 1984 figure of 6.64 cents reflects the general rate increases approved by the Commission as indicated in Figure No. 4-8.

E. COMPARISONS OF AVERAGE RESIDENTIAL MONTHLY BILLS

In Figure No. 4-9 a typical residential electric bill as of January 1, 1984, from North Carolina is compared to nine selected states from across the country. These states include Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina and Virginia. For 1984 North Carolina is the fourth lowest at all the kWh levels shown in the chart.

In a comparison with the United States average, North Carolina monthly bills for 1984 continue to be lower. Data shown in Figure No. 4-9 indicates that states in all regions of the United States have experienced increasing electric bills. The North Carolina electric utilities have companywide rates for the respective residential, commercial and industrial classes of customers. When company, usage and load characteristics are not the same, the residential customer's bill will not vary between the small and large communities.

F. GENERATING CAPABILITY—NUCLEAR POWER IMPACT AND COGENERATION

General: The total system generating capability plus firm purchases as of December 31, 1984, for the four largest electric companies is shown in Figure No. 4-10. The total for CP&L is net of the portion owned by the North Carolina Eastern Municipal Power Agency. Figure No. 4-10 gives in detail the peak loads in winter 1983/1984 and summer 1984, total capability at the times of the peaks and the reserve percentage of electricity available to each company at peak demand.

Nuclear Power: Electric utilities are building for an increasingly larger percentage of their total generating capacity to come from nuclear power. However 1984 was generally a bad year for the nuclear power industry. Reports of delayed and abandoned plants, skyrocketing costs, licensing holdups and charges of mismanagement made front page news. CP&L, Duke and North Carolina Power are the Class A electric companies involved in the generation of nuclear energy.

At the end of 1984 construction was 90% complete on the 900,000 kilowatt Unit 1 of the Shearon Harris Nuclear Power Plant near Raleigh. In October the Company revised the scheduled date for commercial operation of Harris Unit 1 from March to September 1986. As a result of the sale of a portion of the unit to North Carolina Power and the favorable impact of construction work in progress in rate base, the Company's cost of the project is expected to be approximately $2.5 billion. Total budget cost for the Harris project has been revised to $3.4 billion. Factors contributing to the change of the in-service date and estimated cost included the greater amount and complexity of work that must be performed, increased inspection and documentation and additional regulatory requirements. CP&L continued implementation of changes to systems and procedures at its nuclear plants in response to National Regulatory Commission (NRC) requirements and the Company's reliability improvement program. These major modifications to Robinson Unit 2 and Brunswick Unit 2 resulted in additional capital expenditures for CP&L of approximately $179 million in 1984.

Nuclear power continues to be an important source of energy for Duke Power Company. Duke's five nuclear units compiled an operating record in 1984 unequaled in the electric utility industry. And for the first time in the Company's history, more than half of its electricity was generated with clean, economical nuclear power. If this electricity had been generated with coal, it would have cost an estimated $400 million in additional fuel expense. Duke also took major steps toward wrapping up one of the largest nuclear plant construction programs in the nation. Unit 2 of the McGuire Nuclear Station was brought through the regulatory thicket into commercial operation at the lowest cost of any comparable unit in the nation. Construction of the Catawba Nuclear Station is nearing completion. Duke loaded fuel into Unit 1 of Catawba, received a full-power operating license and began generating electricity during a pre-operational testing. The unit is scheduled for commercial service in the spring of 1986. Construction of Unit 2 is ahead of its 1987 scheduled completion date. Duke's nuclear plants promise a reliable, secure, cost-efficient and environmentally sound source of electricity. With completion of the Catawba Nuclear Station in 1987, the Company will have a generating system adequate to meet the expanding needs of the Piedmont Carolinas into the 1990s.

The performance of Vepco's nuclear plants which supply power for the North Carolina Power customers in 1984 exceeded the average for the entire industry for the fourth successive year, although the margin for superiority was narrower than in prior years. In 1984 the capacity factor of Vepco's plants was adversely affected by more than the usual number of outages for refueling

and plant modofications required by the NRC. Vepco began a 2-year program to modify all four units and increase their rated generating capacity by as much as 170 megawatts. This represents almost a 5 percent improvement in the units' design performance. Vepco and the Japan Atomic Power Company signed a five-year technical trade agreement to share mutually beneficial information about nuclear operating techniques. The Japanese company has achieved a worldwide reputation for the efficient management and operation of its nuclear plants. Vepco agreed to a similar exchange of information with Electricite de France, the French national electric company and the world's largest single vertically integrated utility.

Cogeneration: In 1978 the Federal Public Utility Regulatory Policies Act (PURPA) challenged the Federal Energy Regulatory Commission and the State regulatory authorities to encourage the development of cogeneration and small power production. Cogeneration facilities simulatneously produce two forms of useful energy such as electric power and steam. An example of manufacturing cogeneration would be a furniture manufacturing plant which not only uses process steam in its manufacturing activities, but also uses the same steam in order to generate electricity. Cogeneration facilities use significantly less fuel to produce electricity and steam (or other forms of energy) than would be needed to produce the two separately. Thus by using fuels more efficiently cogeneration facilities can make a significant contribution to the nation's effort to conserve its energy resources.

Major participants in the cogeneration program will come from the textile, paper and chemical industries. Through efficient generation of their own electricity, greater profitability and aid in the reduction of overall production costs will be stimulated. The two largest power companies have docketed cogeneration of 381.35 MW of electricity as of December 31, 1984. These cogeneration facilities can provide the electrical needs of approximately 278,386 residential homes. Vepco has no customer-owned hydroelectric facilities operations in its North Carolina service area, but Duke Power Company and CP&L have docketed 31.822 MW of electricity at their hydroelectric facilities as of December 31, 1984.

The three largest power companies in North Carolina are working with customers (small power producers) who may be able to generate some of their own needs for electrical power, thus lowering peak loads. Small power production facilities are biomass, waste, renewable resources including wind, solar and water that produce electric power. The regulated electric utilities are required to purchase the electricity generated by these qualifying small power production facilities. These energy sources have the potential of resulting in significantly cheaper electricity. For example the sun's rays or flowing water have no costs, as contrasted with the generally increasing cost of fossil fuels or nuclear fuel typically used by regulated utilities in their generating plants.

The Commission's order (E-100, Subs 41 and 41A), dated June 3, 1980, enumerated as part of its responsibilities the determination of the rates, charges and conditions for the sale of electric energy and electric capacity between electric utilities and qualifying cogenerators or small power producers in North Carolina. In addition the Commission will determine the relative responsibilities of utilities and qualifying facilities with respect to system protection, service reliability and other matters affecting such service.

G. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Both the source and disposition of the 1984 electric operating revenue dollar are shown by the pie charts on Figure No. 4-11. Fuel costs, the largest component of the operation and maintenance expenses, consumed the

larger portion of the operating revenue dollar. In 1984 fuel costs required 27 centers while the remaining operation and maintenance costs required only 23 cents. Shown in Figure No. 4-12 is comparative data reflecting the components percentagewise for both the source and disposition of the electric operating revenue dollar for 1984. Fuel costs as a percent of total operation and maintenance expenses (excludes depreciation and taxes) have been declining since 1974, primarily because of the decrease in coal costs and the increasing use of nuclear fuel. The chart in Figure No. 4-13 shows this relationship for the period 1980-1984.

H. ENERGY SALES

Energy sales for the past decade have been rising. Class A companies' total energy sales in North Carolina increased in 1984 over 1983 by .7% with almost 67 billion kilowatt-hours sold. Figure No. 4-14 shows energy sales by class of customer for the years 1965, 1970, 1975, 1980, 1983 and 1984.

I. STATISTICAL SUMMARY DATA

As shown in Figure No. 4-15 the total operating revenues for North Carolina operations for the Class A electric utilities increased 10.6% for 1984 compared to 1983.

North Carolina operating expenses including taxes for the Class A companies increased 8.0% in 1984 over 1983 and the net income for 1984 increased 11.9% from the previous year.

Total company net income available for the common shareholders of the Class A companies was $940,510,000 for 1984 vs. $828,837,000 for 1983. The number of common shares outstanding at year-end increased from 285,906 million in 1983 to 291,787 million in 1984. This resulted in an increase in earnings per share (year-end share outstanding) from $2.90 in 1983 to $3.22 in 1984.

Total salaries and wages paid North Carolina employees by Class A companies for 1984 was $586,984,000 an increase of 8.5% over 1983. In 1984 the number of employees residing in North Carolina was 21,017 compared with 20,765 in 1983, an increase of 1.2%.

FIGURE NO. 4-5

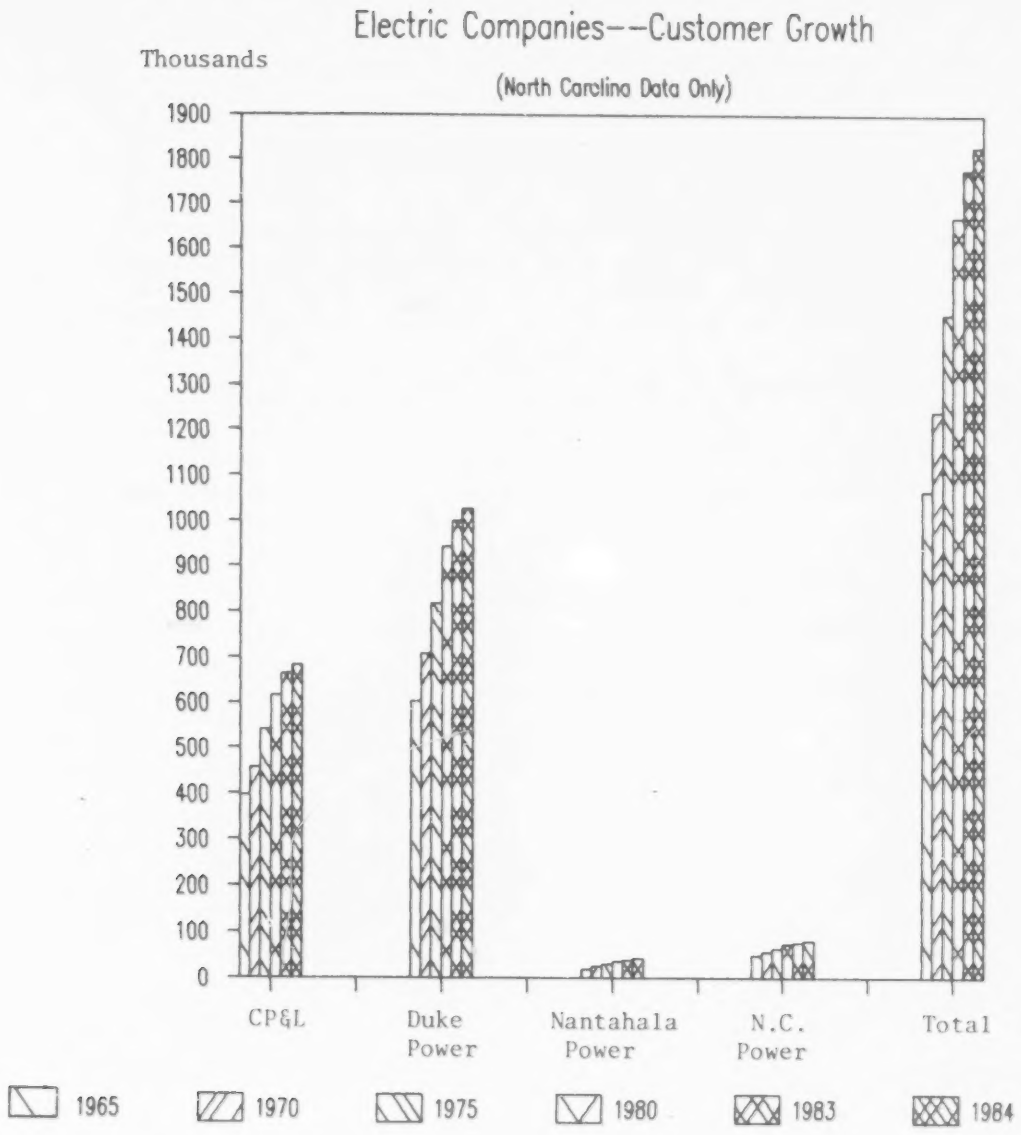

Electric Companies--Customer Growth
(North Carolina Data Only)
Thousands
1900
1800
1700
1600
1500
1400
1300
1200
1100
1000
900
800
700
600
500
400
300
200
100
0
CP&L
Duke Power
Nantahala Power
N.C. Power
Total
1965
1970
1975
1980
1983
1984

FIGURE NO. 4-6

Average Annual Residential Customers
kWh Usage
1965, 1970, 1975, 1980, 1983, 1984
(Class A & B Privately-Owned Utilities Only)

	1965	1970	1975	1980	1983	1984
N.C. Statewide Average	6,697	9,695	11,002	12,272	11,873	11,834
N.C. (Charlotte & Raleigh)(a)	7,272	11,037	11,771	13,201	12,601	12,213
S.C. (Columbia & Charleston)(b)	6,121	9,613	9,683	10,793	12,172	12,224
U. S. Average	4,618	6,700	7,829	8,481	8,370	8,557
N.C. (Charlotte & Raleigh) Higher than S.C. (Columbia & Charleston)	18.8%	14.8%	21.6%	22.3%	3.5%	(.09%)
Higher than U.S. Average	57.5%	64.7%	50.4%	55.7%	50.5%	42.7%

(a) Charlotte--Served by Duke Power Co.
Raleigh--Served by CP&L
Average of the two used

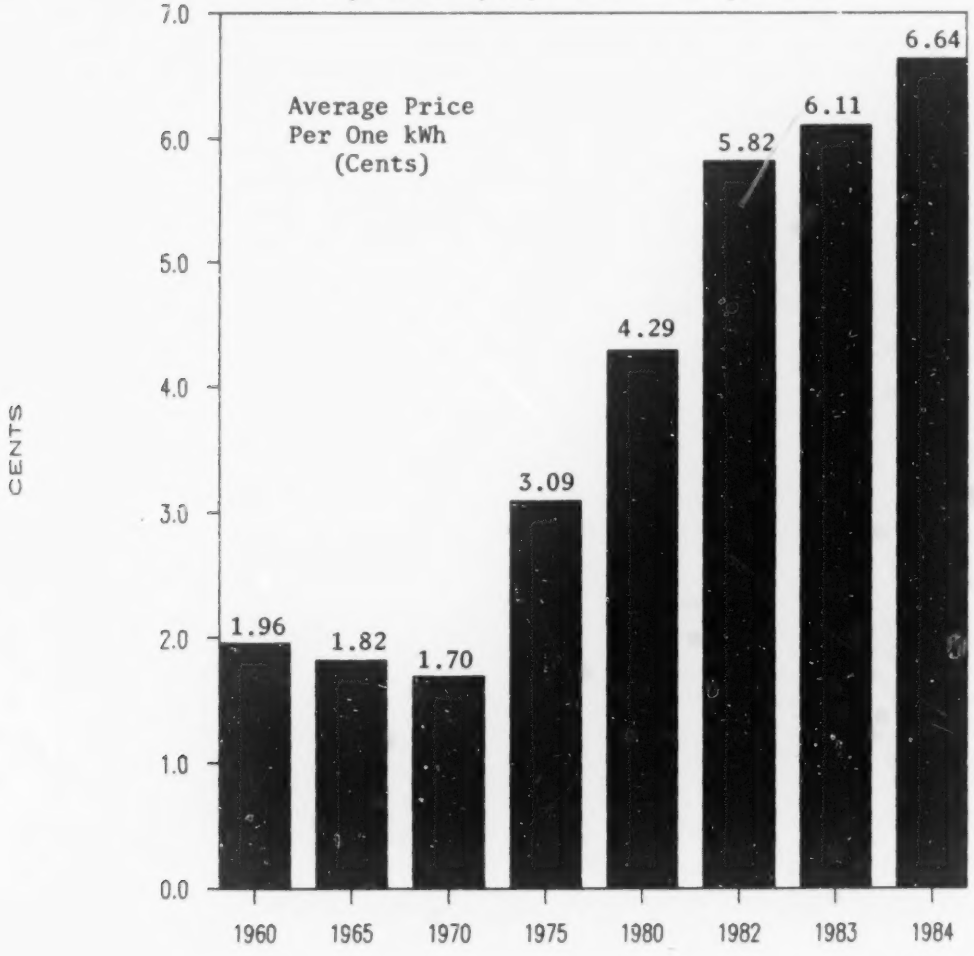
(b) Columbia & Charleston
Served by S.C. Electric & Gas Co.
Average of the two used

U.S. Average--Statistics of Privately Owned Electric Utilities in U. S. (1984 report)

FIGURE NO. 4-7

Residential Electric Service--Class A Companies

Average Annual Usage Per Customer and Average Price of 1 kWh



North Carolina Data Only

Average kWh Usage Per Customer

1960	1965	1970	1975	1980	1982	1983	1984
5,204	6,697	9,695	11,002	12,272	11,653	11,873	11,834

Average Price of One kWh in Cents by Company

	1970	1975	1980	1982	1983	1984
CP&L	1.64¢	3.18¢	4.36¢	6.28¢	6.48¢	7.04¢
Duke	1.73¢	3.01¢	4.13¢	5.49¢	5.83¢	6.31¢
Nantahala	1.66¢	2.29¢	3.68¢	4.98¢	4.47¢	5.52¢
N.C. Power	1.91¢	3.80¢	6.33¢	6.74¢	7.61¢	8.35¢

FIGURE NO. 4-8

General Rate Increses Approved for Electric Companies
For the Year 1984

Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date of Final Order
Carolina Power & Light Co.	2-21-84	E-2, Sub 481	$151,644	$64,339	42.4%	11-20-84
Duke Power Co.	11-30-83	E-7, Sub 373	$212,816	$130,969	61.5%	6-13-84
New River Power & Light Co.	7-18-84	E-34, Sub 23	$ 257	$ 233	90.7%	12-21-84
Totals			$364,717	$195,541	53.6%	

FIGURE NO. 4-9
COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS
NINE SELECTED STATES, NORTH CAROLINA AND U.S. AVERAGE

STATE AVERAGE MONTHLY BILLS--RESIDENTIAL SERVICE
(Cities of 2,500 Population and Over) Data as of January 1 of each year

STATE	500 kWh Assumed Consumption							750 kWh Assumed Consumption							1000 kWh Assumed Consumption						
	1965	1970	1975	1980	1982	1983	1984	1965	1970	1975	1980	1982	1983	1984	1965	1970	1975	1980	1982	1983	1984
NORTH CAROLINA	$9.53	$9.40	$16.21	$24.05	$31.50	$33.52	$35.86	$12.92	$12.75	$22.53	$32.63	$43.98	$47.22	$50.76	$N/A	$16.24	$29.20	$41.83	$56.61	$60.95	$65.32
ALABAMA	8.25	9.33	16.62	23.63	28.50	33.97	35.21	10.87	12.12	22.05	33.99	41.22	48.22	49.75	N/A	14.91	27.45	44.34	53.92	60.25	62.05
CALIFORNIA	9.39	10.95	17.25	22.79	39.31	36.65	36.74	12.43	13.20	23.64	34.24	54.20	52.37	52.45	N/A	16.35	29.91	47.65	74.20	72.82	74.43
FLORIDA	11.78	11.26	18.53	25.53	36.38	36.43	39.38	15.90	15.24	25.88	36.68	52.15	51.66	56.44	N/A	19.10	33.17	48.37	69.21	69.08	74.88
INDIANA	10.36	10.32	13.37	26.68	31.29	34.96	38.52	14.09	13.98	18.31	35.22	42.66	47.35	52.30	N/A	18.01	23.59	44.83	54.35	60.00	66.32
MAINE	12.23	11.85	18.05	26.05	33.70	34.95	37.08	16.53	15.98	25.00	35.98	49.75	52.37	55.59	N/A	21.34	33.32	45.91	65.80	69.81	74.10
MICHIGAN	8.12	7.77	14.57	25.65	27.93	31.23	30.89	13.72	12.32	21.74	33.74	38.43	43.44	42.67	N/A	17.31	29.63	45.85	56.18	62.78	62.52
OHIO	10.63	10.44	17.23	28.26	34.99	39.52	40.58	14.94	14.07	24.15	39.84	50.13	57.02	58.25	N/A	18.14	31.15	51.11	63.21	71.90	73.05
SOUTH CAROLINA	10.04	10.01	18.53	25.40	32.71	35.00	33.93	13.39	13.33	25.18	34.77	45.19	48.54	46.69	N/A	16.69	31.87	44.38	57.49	61.99	59.47
VIRGINIA	10.11	10.00	20.91	33.10	35.14	36.71	37.66	13.61	13.57	28.18	46.31	49.96	52.32	53.73	N/A	17.03	35.11	58.92	62.26	65.43	67.19
UNITED STATES	10.41	10.51	17.93	27.50	37.26	38.35	40.18	14.34	14.22	24.72	36.93	50.40	52.74	54.76	N/A	18.31	32.29	48.76	66.84	69.96	72.77
NORTH CAROLINA RANK (Low to High-9 states listed)	4th lowest	3rd lowest	3rd lowest	3rd lowest	4th lowest	2nd lowest	4th lowest	3rd lowest	3rd lowest	4th lowest	1st lowest	3rd lowest	2nd lowest	4th lowest	N/A	2nd lowest	3rd lowest	1st lowest	4th lowest	3rd lowest	4th lowest
NORTH CAROLINA RANK (Low to High-50 states & DC)	15th lowest	15th lowest	28th lowest	21st lowest	26th lowest	22nd lowest	27th lowest	12th lowest	12th lowest	30th lowest	18th lowest	25th lowest	24th lowest	28th lowest	N/A	12th lowest	30th lowest	17th lowest	25th lowest	25th lowest	28th lowest
N.C. Average lower than U.S. Average (Percent)	8.5%	10.5%	9.6%	12.5%	15.4%	12.6%	10.7%	9.9%	10.3%	8.9%	11.6%	18.7%	10.5%	7.3%	N/A	11.3%	9.5%	14.2%	15.3%	12.8%	10.2%

Source: "Typical Electric Bills" for applicable years--U.S. Department of Energy

FIGURE NO. 4-10

ELECTRIC COMPANIES--CLASS A
GENERATION & CAPABILITY DATA
Net Megawatts--Year End

Capability 1984

	Coal	Nuclear	Hydro	Other Fuel & Resources	Total Generating Capability	Firm Purchases	Total	Less Power Agency Portion	Total
CP&L	5,273	2,245	214	1,093	8,825	53	8,878	494	8,384
Duke Power	6,603	4,940	1,452	599	13,594	188	13,782	0	13,782
Nantahala Power	0	0	91	0	91	72	163	0	163
N.C. Power*	6,020	3,330	326	439	10,115	1,126	11,241	0	11,241
Total	17,896	10,515	2,083	2,131	32,625	1,439	34,064	494	33,570

*Firm purchases includes 165MW of SEPA power disposed of in service area.

Total Capability--Net MW (at time of peak)

	1984		1983		1982	
	Summer	Winter	Summer	Winter	Summer	Winter
CP&L	8,384	8,384	8,406	8,406	7,833	7,833
Duke Power	13,782	13,782	13,554	13,554	13,377	13,377
Nantahala Power	163	163	173	173	187	187
N.C. Power	11,241	11,241	11,234	11,234	10,754	10,754
Total	33,570	33,570	33,367	33,367	32,151	32,151

Peak Load (MW)

	1984		1983		1982	
	Summer	Winter	Summer	Winter	Summer	Winter
CP&L	6,869	6,599	6,926	6,290	6,089	6,602
Duke Power	11,043	10,863	11,554	10,378	10,097	11,145
Nantahala Power	104	163	115	144	97	161
N.C. Power	8,895	8,592	9,404	8,097	8,490	8,879
Total	26,911	26,217	27,999	24,909	24,773	26,787

Reserve % of Load

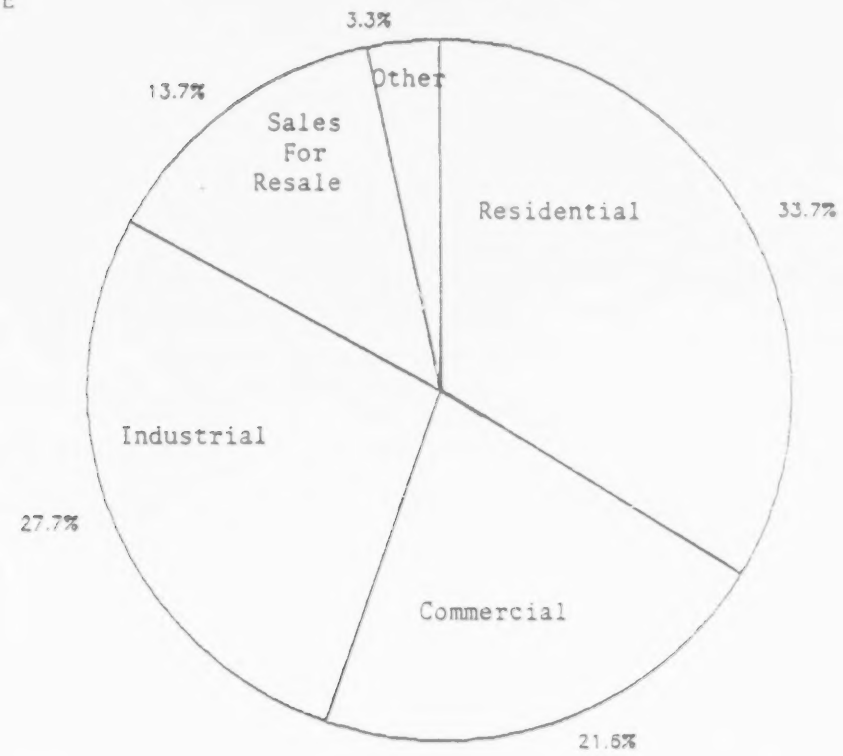
	1984		1983		1982	
	Summer	Winter	Summer	Winter	Summer	Winter
CP&L	22.1	27.0	21.4	33.6	28.6	18.6
Duke Power	24.8	26.9	17.3	30.6	32.5	20.0
Nantahala Power	(1)	(1)	(1)	(1)	(1)	(1)
N.C. Power	26.4	30.8	19.5	38.7	26.7	21.1
Total	24.7	28.0	19.2	34.0	29.8	20.0

(1) No reserve calculated--Nantahala meets its demand load by buying from TVA the additional energy required above its Hydro generating capability.

FIGURE NO. 4-11

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
ELECTRIC COMPANIES
NORTH CAROLINA CLASS A OPERATIONS ONLY
DECEMBER 31, 1984

SOURCE



DISPOSITION

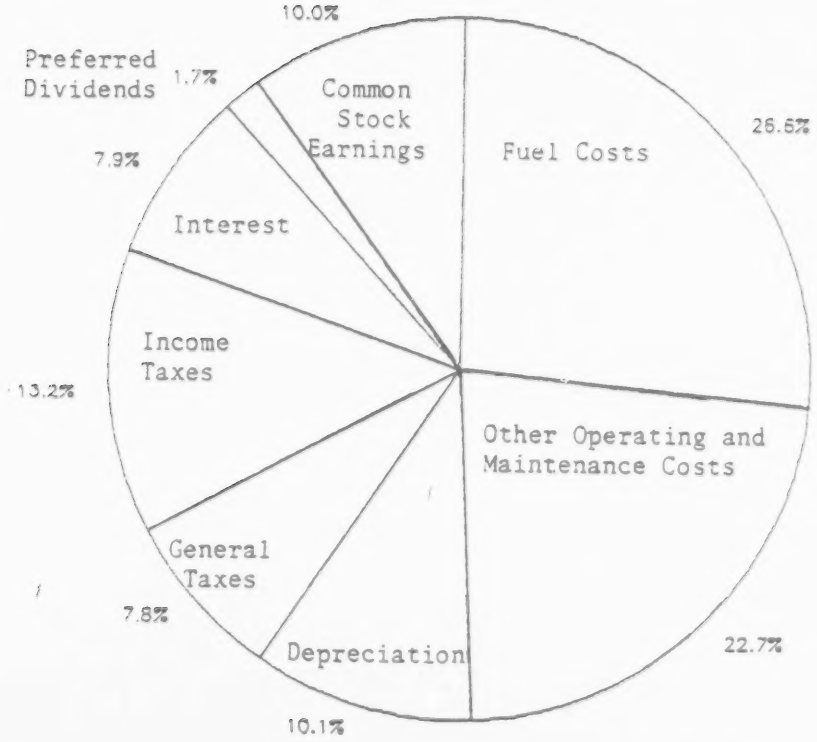


FIGURE NO. 4-12

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR

ELECTRIC COMPANIES
North Carolina Class A Operations Only
(Dollars in 000s)

	1984 Revenue	% of Total
Source:		
Residential	$1,236,370	33.7
Commercial	$792,275	21.6
Industrial	$1,016,995	27.7
Sales for Resale	$503,180	13.7
Other	$121,594	3.3
Total	$3,670,414	100.0
Disposition:		
Fuel Cost	$974,549	26.6
Other Operating & Maintenance Costs	$834,598	22.7
Depreciation	$368,861	10.1
General Taxes	$287,897	7.8
Income Taxes	$484,350	13.2
Interest	$285,151	7.9
Preferred Dividends	$62,770	1.7
Common Stock Earnings	$372,238	10.0
Total	$3,670,414	100.0

FIGURE NO. 4-13

FUEL COSTS
(Dollars in 000s)

	1980	1981	1982	1983	1984
Fuel Costs	$866,928	$989,366	$977,907	$971,944	$974,549
Other Operating & Maintenance Expenses	$507,574	$630,366	$787,301	$803,615	$834,598
Total Operating & Maintenance Expenses	$1,374,502	$1,619,732	$1,765,208	$1,775,559	$1,809,147
Fuel Costs as a % of Total Operating & Maintenance Expenses	63.1%	61.1%	55.4%	54.7%	53.9%

FIGURE NO. 4-14

ELECTRIC COMPANIES--CLASS A
(North Carolina Data Only--Kilowatt-Hours in Billions)
For the Years 1965, 1970, 1975, 1980, 1983, 1984

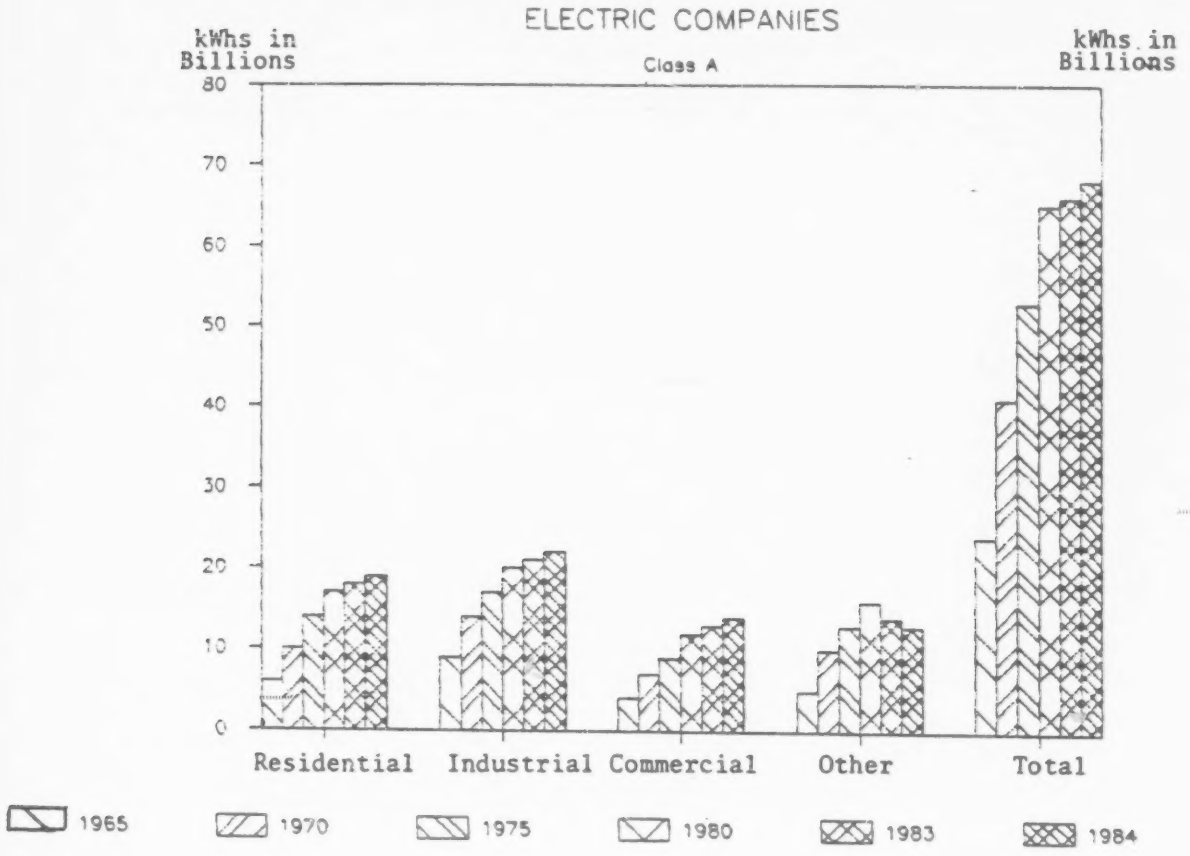


FIGURE NO. 4-15
ELECTRIC COMPANIES--NORTH CAROLINA DATA ONLY
Class A Income Statement, Balance Sheet, and Other Statistical Items
1960, 1965, 1970, 1975, 1980, 1982, 1983, 1984
(Dollars in 000s)

Item	1960	1965	1970	1975	1980	1982	1983	1984	% Change More (Less) 1983-1984
No. of Companies Regulated and Included in this Data	4	4	4	4	4	4	4	4	
Income Items (N. C. Only)									
Residential Sales	$83,380	$112,279	$176,631	$425,940	$754,138	$1,103,958	$1,111,129	$1,236,370	11.3
Commercial Sales	37,704	57,601	95,310	255,494	441,909	653,251	704,144	792,275	12.5
Industrial Sales	48,897	71,737	118,277	343,589	583,685	813,573	901,211	1,016,995	12.8
Sales for Resale	20,792	31,332	63,760	216,148	432,751	531,645	524,199	503,180	(4.0)
All Other Operating Revenue	6,867	12,409	16,379	26,465	53,387	69,445	78,699	121,594	54.5
Total Operating Revenue	$197,640	$285,358	$470,357	$1,267,636	$2,265,870	$3,081,872	$3,319,382	$3,670,414	10.6
Expense Items (1)									
Power Production Expense	$82,502	$119,869	$271,149	$688,699	$1,374,502	$1,413,509	$1,403,114	$1,393,642	(.7)
Transmission Expense						28,572	31,365	34,427	9.8
Distribution Expense						93,594	101,421	116,878	15.2
Customer Accounts Expense						45,932	50,496	56,553	12.0
Customer Service & Informational Expense						14,483	19,596	20,501	4.6
Sales Expense						585	668	738	10.5
Administrative & General Expense						163,856	168,897	186,408	10.4
Depreciation Expense	22,973	32,310	54,666	118,286	181,696	255,420	290,654	368,361	26.7
Total Expenses Before Taxes	$105,475	$152,179	$325,815	$806,985	$1,556,198	$2,015,951	$2,066,211	$2,178,008	5.4
State Taxes									
Income Tax	$3,052	$4,997	$2,194	$6,281	$15,179	$31,049	$1,185	$55,737	4,603.5
Gross Receipts Tax	11,592	16,589	26,912	75,007	135,011	179,204	194,208	212,661	9.5
Property Tax	5,741	8,495	13,460	24,629	35,740	38,479	42,617	43,186	1.3
Other Operating Taxes	28,148	38,732	17,442	114,083	169,536	8,559	9,457	12,864	36.0
Total State Taxes	$48,533	$68,813	$60,008	$220,000	$355,466	$257,291	$247,467	$324,448	31.1
Federal Taxes									
Income Tax						$52,670	$17,980	$304,517	1,593.6
Provision for Deferred Income Tax						143,805	514,002	274,249	46.6
Income Tax Deferred in Prior Years						(93,617)	(116,895)	(202,888)	--
Investment Tax Credit						149,953	(16,094)	52,736	--
Payroll, Unemployment, & Other Federal Taxes						16,129	17,847	19,189	7.5
Gain from Disposal of Utility Plant						(42)	(29)	(3)	--
Total Federal Taxes						$268,898	$416,811	$447,800	7.4
Total State & Federal Taxes						$526,189	$664,278	$772,248	16.3
Total Operating Expenses	$156,810	$220,991	$385,823	$1,026,985	$1,911,664	$2,542,140	$2,730,489	$2,950,256	8.0
Net Operating Income	$40,830	$64,367	$84,534	$240,651	$354,206	$539,732	$588,893	$720,158	22.3

FIGURE NO. 4-15 CONTINUED

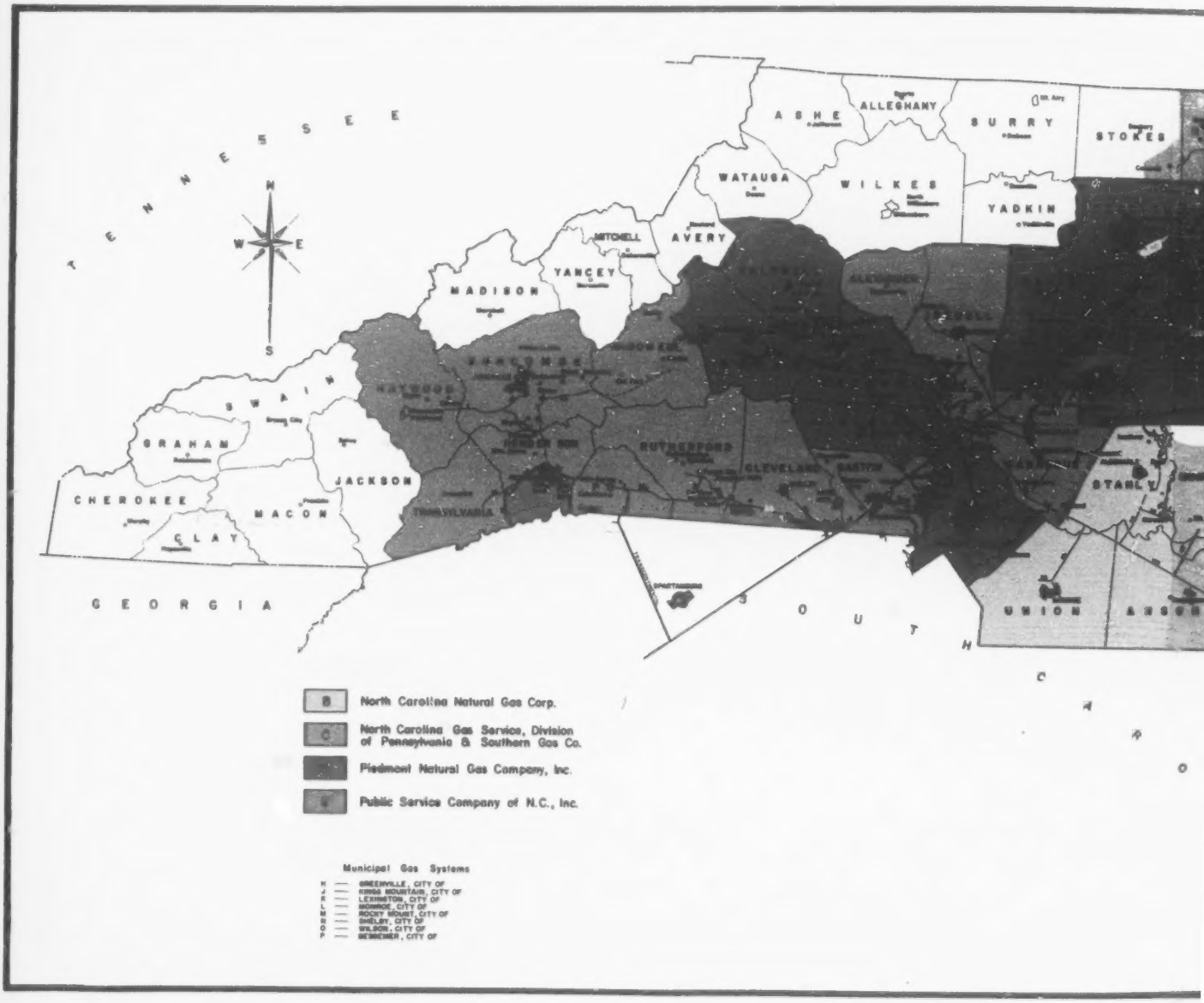
	1960	1965	1970	1975	1980	1982	1983	1984	% Change More (Less) 1983-1984
Other Income & Expenses									
Other Income						$35,127	$33,518	$139,522	316.3
Allowance for Funds Used During Construction						187,984	182,440	129,399	(29.1)
Deductions From Income						(26,026)	(9,254)	(14,366)	--
Taxes on Other Income						21,547	30,468	(53,527)	--
Net Other Income & Expense						$218,632	$237,172	$201,028	(15.2)
Fixed Charges									
Interest on Funded Debt						$353,302	$352,954	$377,787	7.0
Other Fixed Charges						40,382	22,901	12,004	(47.6)
AFUDC						(111,142)	(88,615)	(71,527)	--
Total Fixed Charges						$282,542	$287,240	$318,264	10.8
Extraordinary Income						$33,813	0	0	--
Net Income						$509,635	$538,825	$602,922	11.9
Balance Sheet									
Assets									
Utility Plant						$10,207,259	$10,379,876	$11,080,084	6.7
Depreciation Reserve						2,032,779	2,221,147	2,503,476	12.7
Net Plant						8,174,480	8,158,729	8,576,608	5.1
Nonutility Property						10,656	14,213	17,258	21.4
Other Investments						108,806	91,338	106,169	16.2
Cash						5,709	7,341	17,290	135.5
Temporary Cash Investments						4,522	88,663	569,964	542.8
Customer Accounts Receivable						178,178	208,125	215,874	3.7
Plant Material & Operating Supplies						92,764	93,884	95,609	1.9
Prepayments						17,905	17,352	13,979	(19.4)
Other Current & Accrued Assets						413,930	268,831	306,145	13.9
Unamortized Debt Expense						6,481	6,024	9,122	51.4
Miscellaneous Deferred Debits						81,734	291,862	39,144	(86.5)
Accumulated Deferred Income Taxes						194,039	192,846	168,201	(12.8)
Other Deferred Debits						263,287	687,102	783,775	14.1
Total Assets						$9,552,491	$10,126,310	$10,919,218	7.8
Liabilities & Stockholder's Equity									
Liabilities									
Accounts Payable						$170,425	$202,962	$251,284	23.8
Notes Payable						184,830	136,807	114,010	(16.7)
Total Long Term Debt						3,731,925	3,728,152	4,016,141	7.7
Taxes Accrued						106,408	52,663	105,840	101.0
Miscellaneous Current & Accrued Liabilities						20,707	24,284	34,217	40.9
Other Current & Accrued Liabilities						100,686	117,845	151,761	28.8
Accumulated Deferred Investment Tax Credit						268,150	326,937	326,651	(.09)
Accumulated Deferred Income Tax						789,063	1,070,698	1,190,411	11.2
Other Deferred Credits						105,724	138,544	130,701	(5.7)
Operating Reserves						5,833	33,892	0	100.0
Total Liabilities						$5,483,756	$5,832,764	$6,321,016	8.4

FIGURE NO. 4-15 CONTINUED

	1960	1965	1970	1975	1980	1982	1983	1984	% Change More (Less) 1983-1984
Stockholder's Equity									
Preferred Stock						$989,034	$971,657	$1,067,263	9.8
Common Stock						2,242,103	2,352,754	2,380,809	1.2
Other Paid in Capital						4,321	4,117	3,543	(13.9)
Less Discount on Capital Stock						(633)	(604)	(605)	--
Retained Earnings						802,812	929,110	1,100,088	18.4
Other						31,098	36,492	47,104	29.1
Total Stockholder's Equity						$4,068,735	$4,293,526	$4,598,202	7.1
Total Liabilities & Stockholder's Equity						$9,552,491	$10,126,310	$10,919,218	7.8
Statistical Information (North Carolina Only)									
System Sales to Ultimate Consumer (kWh in 000s)			32,023,596	40,916,099	50,495,469	50,531,252	53,253,109	55,259,693	3.8
System Sales for Resale (kWh in 000s)			9,089,804	11,559,681	14,907,807	13,783,413	13,103,471	11,576,118	(11.7)
Total Sales to Ultimate Customers & For Resale (kWh in 000s)			41,113,400	52,475,780	65,403,276	64,314,665	66,356,580	66,935,811	.7
Total Customers--Yearly Average	938,705	1,065,650	1,243,389	1,454,445	1,667,661	1,735,912	1,779,104	1,830,497	2.9
Average Numbers kWhs Used per Residential Customer	5,204	6,697	9,695	11,002	12,272	11,652	11,873	11,834	(.3)
Average revenue per kWh--Residential customer (cents per kWh)	1.96	1.82	1.70	3.09	4.29	5.82	6.11	6.64	8.7
Number of Employees Residing in N. C.	7,454	7,875	9,414	14,022	18,534	20,484	20,765	21,017	1.2
Wages & Salaries Paid N. C. Employees	$39,146	$49,359	$80,612	$177,550	$353,390	$490,832	$540,935	$586,984	8.5
Systemwide Data									
Operating Revenues	$397,459	$571,082	$949,248	$2,568,719	$4,825,864	$6,062,261	$6,577,792	$7,207,305	9.6
Operating Expenses	309,888	432,958	751,909	2,032,596	3,987,765	4,919,723	6,315,584	5,745,148	(9.0)
Net Operating Income	87,571	138,124	197,339	536,123	838,099	1,142,538	1,262,208	1,462,157	15.8
Net Other Income (Expense)	17,505	37,371	49,148	150,636	123,030	(237,359)	(269,407)	(360,184)	--
Net Income	$70,066	100,753	148,191	385,487	715,069	905,179	992,801	1,101,973	11.0
Preferred Dividends			24,286	95,798	150,315	163,765	163,964	161,463	(1.5)
Net Income for Common Shareholders			$123,905	$298,689	$564,754	$741,414	$828,837	$940,510	13.5
Statistical Information (Systemwide)									
Long Term Debt	$737,334	$1,023,461	$2,168,664	$4,819,049	$7,403,022	$7,800,548	$7,724,033	$8,290,281	7.3
Total Capitalization	$1,476,166	$2,005,861	$3,941,246	$9,094,143	$14,333,818	$15,763,432	$16,091,257	$17,240,931	7.2
Long Term Debt % of Total Capitalization	49.9	51.1	55.0	52.9	51.6	49.5	48.0	48.1	.2
Shares of Common Stock Outstanding--Year End (000s)	55,246	57,732	76,521	153,728	237,495	274,340	285,906	291,787	2.1
Average Earnings Per Share--Shares at Year End (After Preferred Stock Dividends)	$1.17	$1.67	$1.62	$1.88	$2.38	$2.70	$2.90	$3.22	11.0

(1) This is the first report to include an entire balance sheet and income statement. Therefore this data has not been broken down for past periods.

V. The Natural Gas Industry


TENNESSEE
N
W
E
S
ASHE
ALLEGHANY
SURRY
STOKES
WATAUGA
WILKES
YADKIN
MITCHELL
AVERY
YANCEY
MADISON
SWAIN
GRAHAM
CHEROKEE
MACON
CLAY
JACKSON
HAYWOOD
TRANSYLVANIA
HENDERSON
RUTHERFORD
CLEVELAND
GASTON
STANLY
UNION
GEORGIA
SOUTH
B North Carolina Natural Gas Corp.
C North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
Piedmont Natural Gas Company, Inc.
Public Service Company of N.C., Inc.
Municipal Gas Systems
K — GREENVILLE, CITY OF
J — KINGS MOUNTAIN, CITY OF
E — LEXINGTON, CITY OF
L — MONROE, CITY OF
M — ROCKY MOUNT, CITY OF
D — SHELBY, CITY OF
O — WILSON, CITY OF
P — WINDSOR, CITY OF

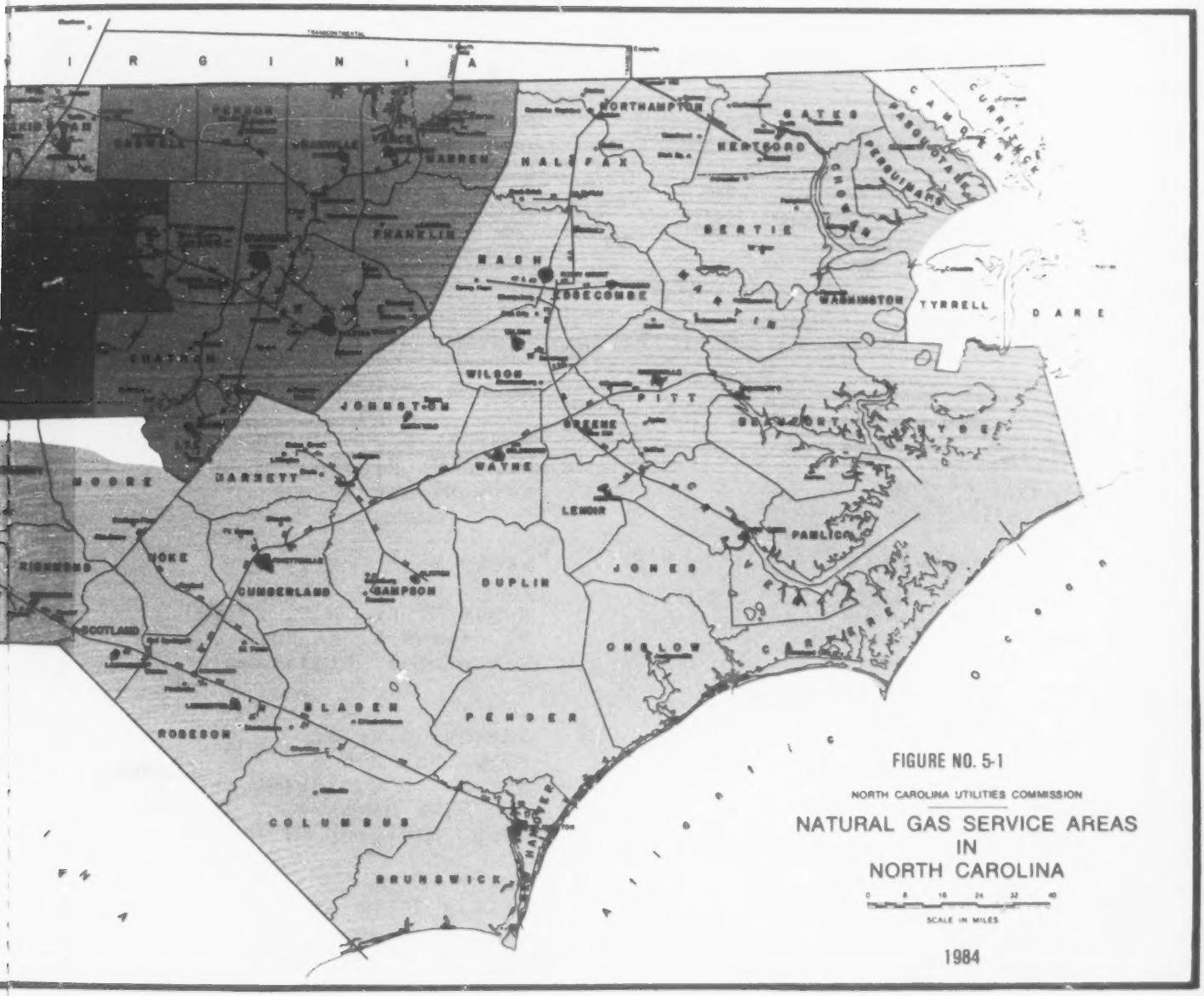


FIGURE NO. 5-1

NORTH CAROLINA UTILITIES COMMISSION

NATURAL GAS SERVICE AREAS
IN
NORTH CAROLINA

0 8 16 24 32 40

SCALE IN MILES

1984

FIGURE NO. 5-2

NORTH CAROLINA GAS COMPANIES

North Carolina Natural Gas Corp.
150 Rowan Street
Fayetteville, North Carolina 28032
Mr. Frank Barragan, Jr. President

Piedmont Natural Gas Co.,Inc.
P. O. Box 33068
Charlotte, North Carolina 28233
Mr. John Maxheim, President

North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
P. O. Box 779
Reidsville, North Carolina 27320
Mr. E.L. Lohmann, President and Chief Executive Officer

Public Service Co. of N.C., Inc.
P. O. Box 1398
Gastonia, North Carolina 28052
Mr. C.E. Ziegler, President

FIGURE NO. 5-3

N.C. MUNICIPAL GAS SYSTEMS

Bessemer City, City of
132 West Virginia Ave.
Bessemer City, N.C. 28016
Mr. Ralph Messera
City Manager

Monroe, City of
P. O. Box 69
Monroe, N.C. 28110
Mr. J.E. Hinkle
City Manager

Greenville, City of
P. O. Box 1847
Greenville, N.C. 27834
Mr. Jasper Donald Hudson
Deputy Finance Director

Rocky Mount, City of
P. O. Drawer 1180
Rocky Mount, N.C. 27801
Mr. James D. Martin
Director of Utilities

Kings Mountain, City of
P. O. Box 429
Kings Mountain, N.C. 28086
Mr. J.H. McDaniel, Jr.
City Clerk

Shelby, City of
P. O. Box 207
Shelby, N.C. 28150
Mr. Mike Haggard
Asst. Director of Utilities

Lexington, City of
28th West Center Street
Lexington, N.C. 27290
Mr. J.A. Yarbrough
Director of Finance

Wilson, City of
P. O. Box 10
Wilson, N.C. 27893
Mr. H. Gerald Pittman
Accounting Supervisor

THE NATURAL GAS INDUSTRY

A. A BRIEF HISTORY OF THE NATURAL GAS INDUSTRY

During 1984 four Class A natural gas utility companies were under the regulation of the North Carolina Utilities Commission: North Carolina Natural Gas Corporation; North Carolina Gas Service---A Division of Pennsylvania and Southern Gas Company; Piedmont Natural Gas Company, Inc.; and Public Service Company of North Carolina. Class A utilities have annual gross operating revenues of $2,500,000 or more. Figure No. 5-2 is a list of the companies and their chief officers.

North Carolina Natural Gas (NCNG) is a public utility which provides natural gas service through 2,800 miles of transmission and distribution systems to over 88,000 customers in Eastern North Carolina. The North Carolina Utilities Commission regulates the Company's rates, service area, service quality, safety standards, acquisitions, extensions and abandonment of facilities, accounting and issuance of securities. NCNG also has a non-utility division which serves propane gas to more than 5,000 customers, and which sells gas appliances and home insulation services. Wholly-owned subsidiaries, NCNG Exploration Corporation and Cape Fear Energy Corporation, are engaged in exploration and production of natural gas and oil.

North Carolina Gas Service is a division of Pennsylvania and Southern Gas company (Penn. & Southern). Penn. & Southern operates five divisions in four states. The states include New York, North Carolina, Pennsylvania and Maryland. The North Carolina Gas Service division is located in Rockingham and Stokes counties. It serves both natural gas and L.P. gas in an area with a population approximately 83,000. The operating headquarters of the Division is centrally located in Reidsville. Its natural gas requirements are purchased from Transcontinental Gas Corporation.

Piedmont Natural Gas Company is a diversified energy and services company primarily engaged in the purchase, distribution and sale of natural gas to more than 230,000 residential, commercial and industrial customers in 60 communities in the Piedmont region of North Carolina and South Carolina. Piedmont and its subsidiaries are engaged in oil and gas exploration and development, and in the sale of propane (LP gas) and associated products, residential and commercial appliances, solar energy systems, commercial and industrial coal and fuel oil, conservation products and services and cable television construction services. Piedmont utility operations are subject to regulation by the North Carolina Utilities Commission as to the issuance of securities, and by that commission and by the Public Service Commission of South Carolina as to rate, service area, adequacy of service, allocation of gas, safety standards, extensions and abandonment of facilities, accounting and depreciation.

Public Service is a natural gas utility that serves more than 170,000 customers in 81 communities in North Carolina. The company is regulated by the North Carolina Utilities Commissison in the same way the other gas companies are regulated. Public Service has one wholly-owned subsidiary, PSNC Natural Resources Corporation, which is engaged in on-shore exploration and production of natural gas and petroleum products as well as non-utility operations.

B. PLANT INVESTMENT AND EXPANSION

The four major gas companies serve North Carolina cities and towns which have a combined population in excess of 4,600,000. The natural gas companies continued limited expansion of services by investing more than $43 million in plant facilities for the 1984 calendar year. In 1983 gas companies invested $35 million. At December 31, 1984, their combined total gross investment

for the State was $531,656,000. This represents an increase of 8.9% from the preceding year. Figure No. 5-4 gives the gross plant investment for the natural gas companies for the period 1963-1984.

C. GROWTH TRENDS--CUSTOMER, REVENUES, VOLUME

In 1984 the annual average number of natural gas utility customers increased 3.4% from the previous year. Figure No. 5-5 shows the customers by classification for the years 1963-1984. Figure No. 5-6 shows the customer growth for the years 1965, 1970, 1975, 1980, 1982, 1983 and 1984 by major customer classification.

Figure No. 5-7 shows the sale pattern of natural gas to ultimate type of customers in million dekatherms by the North Carolina regulated natural gas companies for the years 1965, 1970, 1975, 1980, 1983 and 1984.

Figure No. 5-10 shows the total customer growth by regulated companies and municipal gas systems with total revenues of gas sold in Mcfs or dekatherms for the years 1965, 1970, 1975, 1980, 1982, 1983 and 1984. The municipals experienced an increase in the number of customers equal to 7.4% in 1984, while the regulated gas utilities grew only at a 3.4% rate.

Growth in revenues from the sale of gas in 1984 for the regulated companies was 5.1% and for the municipals the rate was 12.2%. The quantity of gas sold in terms of dekatherms in 1984 increased 2.4% for the regulated section and 14.1% for the municipals.

D. COMPARISONS OF RESIDENTIAL BILLS, USAGE AND COST PER Mcf OR DEKATHERM

Some average annual usages and cost data for the North Carolina natural gas companies and seven natural gas companies located in various sections of the United States are shown in Figure No. 5-8. The data indicates North Carolina customers have a lower total cost (use times rate) for residential gas than the national average. This history of lower costs is due primarily to a generally mild climate in North Carolina.

E. Industrial Sales Volume

In 1984 industrial sales totaled more than 68 million dekatherms. This reflects a 1.1% decrease from the 1983 sales. Total industrial sales of dekatherms accounted for 52.5% of total natural gas sales in North Carolina by the regulated natural gas companies. See Figure No. 5-9 for a summary of natural gas sales, revenues and customers for the years 1965, 1970, 1975, 1980, 1982, 1983 and 1984.

F. Rate Changes

There were no general rate increase cases filed with or approved by the North Carolina Utilities Commission in the calendar year 1984.

Gas Trackings

The North Carolina natural gas companies are primarily distribution companies purchasing their gas for resale mainly from Transcontinental Gas Pipeline Corporation (Transco). Transco is the only interstate gas pipeline operating within the State. Transco purchases natural gas from producers in Texas and Louisiana and transports it to North Carolina where it is resold to the distributing companies. The selling rates are prescribed by the Federal Energy Regulatory Commission on the basis of three rate zones based on distance from the point of production. North Carolina is in zone 2 which is bound by the Georgia-South Carolina state line on the south and the Virginia-Maryland state line on the north. The gas supplies available to North Carolina's companies are based on the amount of gas Transco has available.

General Pass Ons of Wholesale Price Changes

Pursuant to authority granted to the Utilities Commission in G.S. 62-133 by the 1971 General Assembly the Commission in Docket No. G-100, Sub 14, established procedures under which gas companies in North Carolina could pass on to their customers wholesale increases in the cost of gas to them by their pipeline suppliers. This tracking authority has reduced the amount and number of general rate cases filed with the Commission during the years since 1972. It has also reduced the lag time the companies would have experienced in recouping the increased gas costs which have a direct impact on the companies' level of earnings. The gas tracking changes approved by the Commission for the calendar year 1984 are found in Figure No. 5-11.

Special Situations

These gas trackings can be both increases and decreases in the cost of wholesale gas from Transco. The distributing companies maintain a "deferred" account in which the changes in cost of gas from the filed tariff rate are accounted for, and at an appropriate time applications to recover or refund the net effect are made with the Commission.

The tracking proceedings under which these pass ons are allowed involves filing of data by gas utilities essentially in the same format as filing for general rate proceedings. This data is reviewed and analyzed by both the Commission and Public Staff's Engineering and Accounting divisions.

Gas Supply Volume Trackings

Since 1976 the Commission has granted approval for all the gas utilities to file curtailment tracking mechanisms such that the gas utilities' margin (difference in revenues and cost of gas plus gross receipts tax) was fixed in the general rate case. These mechanisms protected the gas utility from fluctuating changes in supply volumes. As the available supply of natural gas increased, the margins increased on sales to customers and permitted the customers' rates to be reduced while the companies' margin remained fixed. As volumes decreased the gas utility simply raised all customers' rates such that the margin remained constant. The mechanisms as described allowed interim adjustments to rates so the gas utility did not have to file constant general rate cases to take care of the volatile fluctuations in its supply of gas and resultant changes in margins. There were no curtailment tracking adjustments (CTA) filed in 1984.

Industrial Sales Tracker (IST)

The Industrial Sales Tracker implemented for Public Service Company and North Carolina Natural Gas are modified curtailment tracking mechanisms. These mechanisms collect revenues from those industrial customers who have heavy fuel oil as an alternate fuel, and refund it to the high priority market. This mechanism was proposed by the Public Staff so the gas utilities could negotiate the sale of industrial natural gas and benefit all other customers. As industrial sales increase the rates to all other customers is lowered, and by the same token, if individual natural gas sales decrease, the rate to all other customers will increase. This mechanism was begun in 1983 for the two gas utilities as mentioned earlier.

Decreases in the amount of available gas result in an increased IST rate while increases result in a decreased IST rate. Changes in the available gas from the base year volumes due to fluctuations in gas supply and sales volume will inversely affect the IST base year volumes. Then the IST rate will be adjusted accordingly.

Exploration and Development Trackings (E & D)

On June 26, 1975, the Commission extablished natural gas exploration rules (Docket No. G-100, Sub 22), which provided for customer participation in approved exploration and development programs. These programs would be financed by customer and stockholder in the ratio of 75% to 25%, respectively. Initially every six months the distributors determined a dekatherm rate to be billed to their customers to recover their share of the allowable E & D costs. Successful discoveries are sold, and the proceeds used to reduce exploration costs or the new gas is put into Transco's supply of gas to North Carolina distributors.

In September 1980 the N.C. Utilities Commission terminated the ratepayers participation in the E & D programs, except for development costs. Supplies of natural gas had begun to increase thereby eliminating the necessity of further participation in the program. The net effect of the termination of the programs is that the expenditures decrease, and the value of recoveries increase, thus providing refunds to customers. The program currently is providing refunds to those customers who were being served as of September 1980, thereby assuring that only those customers who participated in the costs would also participate in the increased value of the recoveries. Refunds to customers participating in the E & D programs are determined on the same percentage basis as their share of the costs were tabulated. These refunds will continue as long as net revenues are being received from the sale of gas produced. Capital expenditures from exploration ventures through September 1984 were $87,301,043. The total net equivalent Mcf production is 26,213,383. Therefore the finding cost per net equivalent Mcf is $3.34. Figure No. 5-12 illustrates the 1984 refunds and cumulative dollars paid to fund the E & D programs.

G. Natural Gas Pipeline Safety

History and Overview: On August 12, 1968, the United States Congress passed Public Law 90-481, better known as the Natural Gas Pipeline Safety Act of 1968. This Act authorized the Secretary of Transportation to administer this law, develop standards, and regulate enforcement of such standards for the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Section 5a of this Act authorized each state to regulate these minimum standards through certification by the Secretary of Transportation providing certain provisions were met.

Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective January 1, 1968. In the 1969 Legislature an amendment was added to Section 62-50 of the General Statutes which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 is known as the North Carolina Gas Pipeline Safety Code. This code is a mandatory requirement under State law and noncompliance by any persons engaged in the transportation of gas or who own or operate pipeline facilities is subject to a civil penalty not to exceed $1,000 per each violation for each day that such violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The law also provides authority for the Commission to file suit to restrain violations of the Code, including the restraint of transportation of gas for the operation of the pipeline facilities.

The North Carolina Gas Pipeline Safety Code is comprised of three basic sections: Part 191 (Report of Leaks), Part 192 (Minimum Federal Safety Standards), and Part 193 (Liquified Natural Gas Facilities). In order to comply with the certification of the Secretary of Transportation, the Commission must adopt as part of its Code all Minimum Federal Safety Standards.

There are four major gas utilities in North Carolina, along with eight municipal gas systems. In addition the 1979 session of the North Carolina General Assembly gave the Utilities Commission jurisdiction over master meter operations. This added 168 distribution systems to the already existing 175, bringing the total to 343 systems which must be inspected for compliance with the North Carolina Gas Pipeline Safety Code. Connecting and within these systems are 1,599 miles of transmission mains and 10,795 miles of distribution mains serving more than 400,000 customers in North Carolina.

Enforcement Activity: During 1984 the Gas Pipeline Safety Section of the Commission Staff spent 396 man days inspecting the pipeline facilities in North Carolina. Of the 77 inspection units inspected, 99 major violations of the "Minimum Federal Safety Standards" were detected. By the end of the year 90 violations had been corrected and the remaining were being worked on. There were three accidents investigated by the Staff during 1984 which resulted in injuries to five people and property loss in excess of $90,000. The Staff conducted 4 seminars for the Municipal Housing Authority gas employees during the year. In addition one large seminar was conducted for the Gas Utilities and Municipal employees covering the rules and regulations and how to comply with the Code. A one day seminar was also conducted for the State SBI Arson agents to acquaint them with the properties of natural gas and how to conduct accident investigations concerning natural gas. The cost of conducting the pipeline safety programs for 1984 was $151,058 of which $79,816 was refunded to the State by the U.S. Department of Transportation.

H. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Both the source and disposition of the 1984 gas revenue dollar are shown by the pie charts on Figure No. 5-13. Shown in Figure No. 5-14 is a comparison chart reflecting both source and disposition of the gas revenue dollar for the years 1980, 1981, 1982, 1983 and 1984.

I. STATISTICAL SUMMARY DATA

The total gross operating revenues for the Class A natural gas companies were more than $735 million in 1984. This reflects a 4.8% increase from the previous year. Similarly operating expenses including taxes increased 4.2% in 1984, and net operating income increased 16.7%.

Interest on long term debt increased 3.8% however, earnings per common share outstanding decreased from $2.94 in 1983 to $2.77 in 1984. The average number of common shares outstanding increased by 3.3% to 9,079,338 shares. The average number of full-time employees in 1984 totaled 2,305, an increase of 28 persons. The total wages paid these employees equaled $48,771,000, and 11.1% increase from the previous year. See Figure No. 5-15 for additional financial and operating statistical data.

FIGURE NO. 5-4

NATURAL GAS COMPANIES--CLASS A
GROSS PLANT INVESTMENTS--YEAR-END DATA ($000s)
1963-1984

	N.C. Natural Gas Co.	Penn & Southern Gas Co.	Piedmont Natural Gas Co.	Public Service Co of N.C.	United Cities Gas Co.	Totals	% Increase Over Prior Year
1963	$29,325	$2,338	$45,175	$37,293	$672	$114,803	
1964	30,237	2,505	49,765	72,591	694	125,792	9.6
1965	31,136	2,730	55,621	48,008	705	138,200	9.9
1966	32,272	3,059	59,880	54,382	763	150,356	8.8
1967	34,353	3,360	65,384	61,963	922	165,982	10.4
1968	40,463	3,655	72,417	68,359	919	185,813	11.9
1969	44,597	3,876	79,287	74,799	1,001	203,560	9.6
1970	47,676	4,064	86,347	80,825	1,386	220,298	8.2
1971	51,691	4,366	89,675	86,047	1,623	233,402	5.9
1972	54,416	4,581	99,864	90,964	1,868	251,693	7.8
1973	56,571	4,792	107,031	95,663	2,070	266,127	5.7
1974	58,162	4,858	110,179	100,982	2,275	276,456	3.9
1975	59,981	5,304	111,973	111,602	2,402	291,262	5.4
1976	62,363	5,451	113,970	118,924	2,606	303,314	4.1
1977	64,355	5,440	117,842	123,821	2,744	314,202	3.6
1978	66,859	5,595	125,140	129,207	3,010	329,811	5.0
1979	70,393	5,826	132,120	137,009	3,211	348,559	5.7
1980	76,058	6,284	147,546	151,932	3,942	385,762	10.7
1981	82,091	6,406	160,032	165,475	4,350	418,354	8.4
1982	87,482	6,660	174,280	184,661	--	453,053	8.3
1983	92,729	6,834	189,714	199,101	--	488,378	7.8
1984	98,956	7,061	206,014	219,625	--	531,656	8.9
Percent Increase (Decrease)							
1984 over 1983	6.7	3.3	8.6	10.3		8.9	

FIGURE NO. 5-5

CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)
(N.C. Data Only)
1963-1983

	Residential	Commercial	Industrial Firm	Industrial Interruptible	Total	Other* Classes	Totals	% Increase Over Prior Year
1963	125,435	17,470			1,661	13,387	157,953	
1964	134,097	18,903			1,802	13,276	168,078	6.4
1965	145,080	20,613			1,860	17,834	185,387	10.3
1966	156,836	22,363			1,984	16,187	197,370	6.5
1967	169,127	24,241			2,107	15,639	211,114	7.0
1968	182,622	26,250			2,018	17,193	228,083	8.0
1969	196,570	28,918			2,625	18,580	246,693	8.2
1970	208,712	30,572			2,789	20,213	262,286	6.3
1971	220,941	31,834	1,451	857	2,308	20,435	275,518	5.0
1972	233,746	32,409	1,429	907	2,336	21,083	289,574	5.1
1973	242,405	33,245	1,339	879	2,118	21,645	299,513	3.4
1974	251,611	34,239	1,011	872	1,883	21,820	309,553	3.4
1975	257,952	35,141	1,037	848	1,885	22,221	317,199	2.5
1976	259,355	35,435	1,096	656	1,752	22,561	319,103	0.6
1977	267,629	35,141	1,312	550	1,862	17,007	321,639	0.8
1978	276,273	35,559	1,543	276	1,819	14,444	328,095	2.0
1979	280,289	36,162	1,561	248	1,809	14,794	333,054	1.5
1980	294,343	37,904	1,617	294	1,911	15,140	349,298	4.9
1981	304,072	39,108	1,709	283	1,992	14,979	360,151	3.1
1982	314,108	40,624	1,760	266	2,026	14,962	371,720	3.2
1983	324,569	42,364	1,863	263	2,126	15,095	384,154	3.3
1984	335,249	44,147	1,848	256	2,104	15,532	397,032	3.4

*Includes public housing units rather than meters.

Percent Increase (Decrease)							
1984 over	3.3	4.2	(.8)	(2.7)	(1.0)	2.9	3.4

FIGURE NO. 5-6

GAS COMPANIES--CUSTOMER GROWTH BY CLASSES
(North Carolina Data Only--Annual Average Shown)
1965, 1970, 1975, 1980, 1982, 1983, 1984

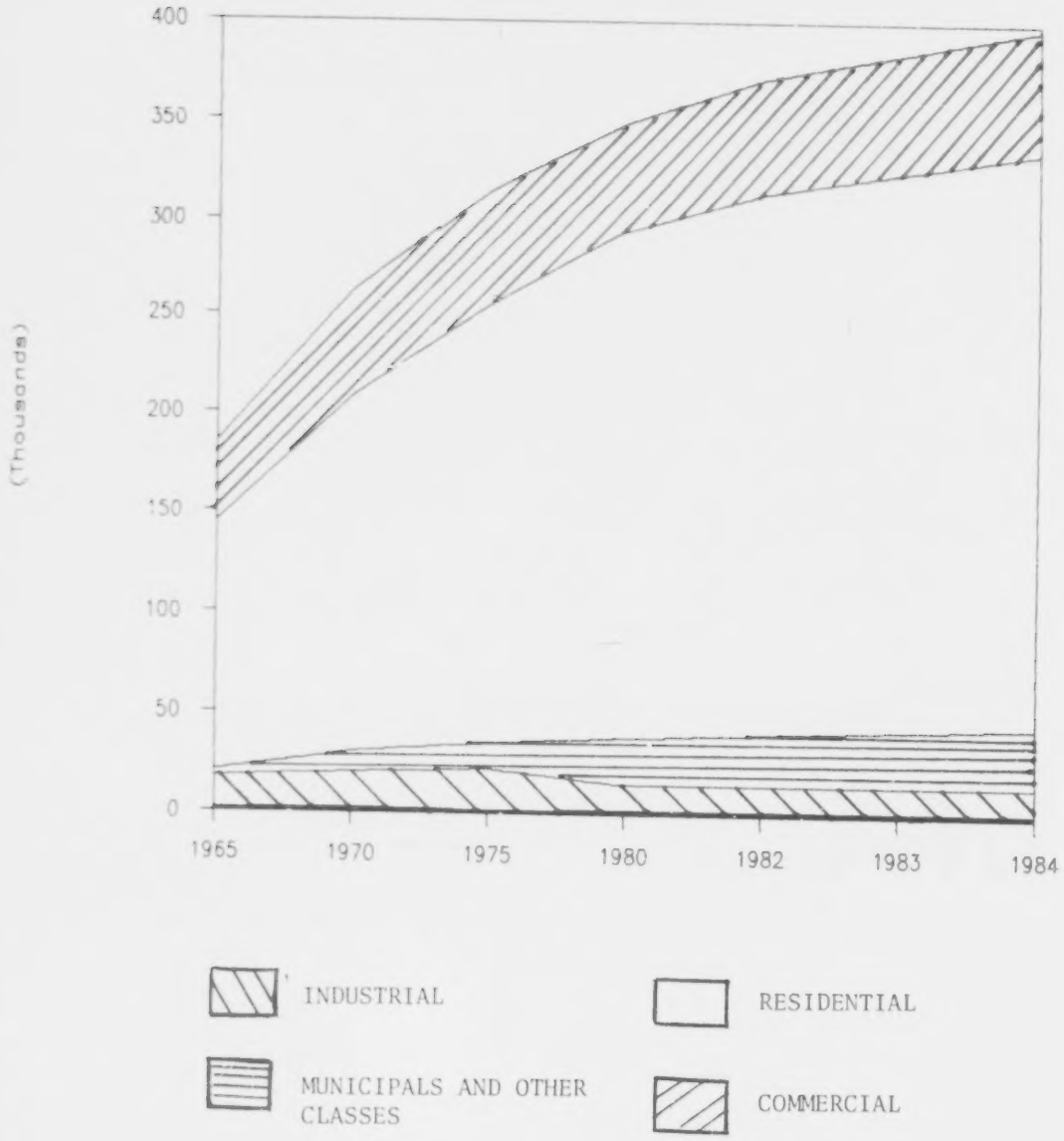


FIGURE NO. 5-7

GAS COMPANY ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS
(Millions of Dekatherms-North Carolina Data Only)
1965, 1970, 1975, 1980, 1983, 1984

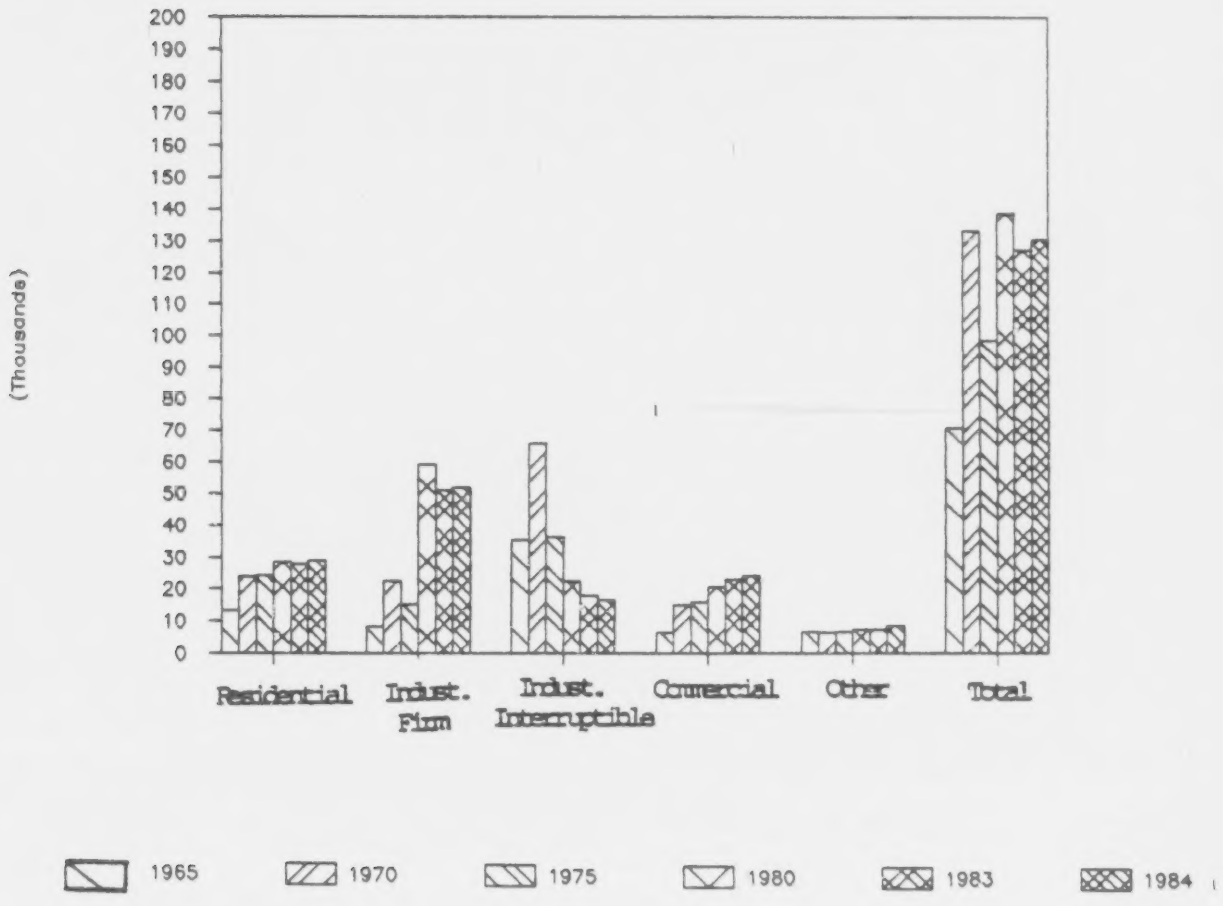


FIGURE NO. 5-8

RESIDENTIAL NATURAL GAS CUSTOMERS AVERAGE ANNUAL USAGE AND COST DATA (Mcf and DT)

North Carolina and Selected Gas Companies Outside North Carolina
For the Years 1965, 1970, 1975, 1980, 1983, 1984

Company	Use--Mcf & DT (1)						Rate per Mcf or DT						Total Cost					
	1965	1970	1975	1980	1983	1984	1965	1970	1975	1980	1983	1984	1965	1970	1975	1980	1983	1984
N.C. Gas Companies: (N.C. Data Only)																		
N.C. Natural Gas Corp.	72	89	77	79	70	73	$1.72	$1.55	$2.02	$4.04	$6.00	$6.21	$123.18	$137.95	$155.54	$319.16	$420.00	$453.33
N.C. Gas Service (Penn. & Southern)	121	138	116	92	83	88	1.08	1.00	1.79	4.11	6.57	6.52	131.25	138.00	207.64	378.12	545.31	573.76
Piedmont Natural Gas Co., Inc.	99	124	97	106	93	92	1.34	1.46	1.99	4.07	6.59	6.57	132.56	181.04	193.03	431.42	612.87	604.44
Public Service Co. of N.C., Inc.	94	115	98	95	85	86	1.45	1.39	2.15	4.11	6.54	6.56	136.28	159.85	210.70	390.45	555.90	564.16
United Cities Gas Co. (4)	68	93	88	89	---	---	1.72	1.53	2.40	4.18	---	---	117.05	142.29	211.20	372.02	---	---
Weighted Average	93	116	95	97	86	87	$1.41	$1.32	$2.05	$4.08	$6.50	$6.52	$131.44	$141.98	$194.75	$395.76	$559.00	$567.24
Gas Companies Outside N.C.: (Systemwide Data) (2)																		
Gas Company / Headquarters																		
Alabama Gas Co. / Birmingham, Alabama	100	120	91	93	84	89	$1.13	$1.09	$1.72	$4.01	$5.97	$6.05	$113.00	$130.80	$156.52	$372.93	$501.48	$538.45
Arkansas Western Gas / Fayetteville, Arkansas	131	139	114	105	95	100	.73	.82	1.12	2.59	4.59	4.44	95.63	113.98	127.68	271.95	436.05	444.00
Essex County Gas Co. / Haverhill, Massachusetts	83	110	93	89	82	88	1.81	1.73	2.93	5.26	8.94	8.53	150.23	190.30	272.49	468.14	733.08	750.64
Fall River Gas Co. / Fall River, Massachusetts	76	93	86	93	85	90	1.87	1.75	3.61	5.03	7.77	6.88	142.12	162.75	310.46	467.79	660.45	619.20
Indiana Gas. Co. / Indianapolis, Indiana	165	170	160	144	114	131	.89	1.06	1.37	2.95	6.19	6.28	146.85	180.20	219.20	424.80	705.66	822.68
Mississippi Valley Gas Co. / Jackson, Mississippi	102	102	87	90	81	87	.84	.88	1.41	3.30	5.41	5.11	85.68	89.76	122.67	297.00	438.21	444.57
Washington Natural Gas Co. / Seattle, Washington	115	124	122	97	81	87	1.35	1.27	2.12	4.92	6.81	6.68	155.25	157.48	258.64	477.24	551.61	581.16
National Average (3)	117	129	122	115	100	102	$1.00	$1.06	$1.69	$3.17	$5.82	$5.93	$117.00	$133.18	$206.18	$364.55	$582.00	$604.86

(1) 1965-1975 Use shown in Mcfs
1980-1984 Use shown in Dekatherms (DTs)
1 Dekatherm = 1.030 Mcfs

(2) Source: Company Annual Stockholder Reports

(3) Source: Gas Facts--Editions for years shown.

(4) Public Service Co. of N.C., Inc. purchased United Cities Gas Co. and assumed full operation and control on Oct. 1, 1982, (Docket No. G-5,Sub 179)

FIGURE NO. 5-9

Summary of Natural Gas Sales of Mcfs (1965-1975) and Dekatherms (1980-1984)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1965, 1970, 1975, 1980, 1982, 1983, 1984

Sales--Mcfs and Dts (000s)	1965	% of Total	1970	% of Total	1975	% of Total	1980	% of Total	1982	% of Total	1983	% of Total	1984	% of Total
Residential	13,487	19.1	23,687	17.8	24,458	24.8	28,563	20.7	28,001	21.1	27,903	21.9	29,117	22.3
Commercial	6,539	9.3	14,889	11.2	15,867	16.1	20,946	15.1	22,631	17.0	22,903	18.0	24,314	18.7
Industrial	43,744	62.0	88,124	66.2	51,456	52.2	81,591	58.9	75,060	56.4	69,150	54.3	68,403	52.5
Other	6,769	9.6	6,344	4.8	6,768	6.9	7,320	5.3	7,287	5.5	7,301	5.8	8,471	6.5
Total Sales	70,539	100.0	133,044	100.0	98,549	100.0	138,420	100.0	132,979	100.0	127,257	100.0	130,305	100.0
Revenues: ($000s)														
Residential	$17,664	33.9	$31,217	31.7	$49,823	31.3	$116,271	24.0	$156,545	24.4	$181,539	25.9	$190,003	25.9
Commercial	9,194	17.6	16,295	16.6	28,308	17.8	77,797	15.9	115,715	18.0	134,714	19.3	143,667	19.5
Industrial	22,015	42.3	44,720	45.5	71,601	45.0	269,457	55.2	336,547	52.4	347,998	49.7	363,097	49.4
Other	3,239	6.2	6,126	6.2	9,400	5.9	24,096	4.9	33,235	5.2	35,503	5.1	38,515	5.2
Total Revenues	$52,112	100.0	$98,358	100.0	$159,132	100.0	$487,621	100.0	$642,042	100.0	$699,754	100.0	$735,282	100.0
Customers: (Annual Average)														
Residential	145,080	78.3	208,712	79.6	255,339	81.2	294,343	84.3	314,108	84.5	324,569	84.5	335,249	84.4
Commercial	20,613	11.1	30,572	11.7	35,141	11.2	37,904	10.8	40,624	10.9	42,364	11.0	44,147	11.1
Industrial	1,860	1.0	2,789	1.0	1,862	0.6	1,911	0.6	2,026	0.6	2,126	0.6	2,104	0.5
Other	17,834	9.6	20,213	7.7	22,221	7.0	15,140	4.3	14,962	4.0	15,095	3.9	15,532	4.0
Total Customers	185,387	100.0	262,286	100.0	314,563	100.0	349,298	100.0	371,720	100.0	384,154	100.0	397,032	100.0

Percent Change in Sales of Gas (Mcfs and Dekatherms)

Sales:	1970/1965	1975/1970	1980/1975	1982/1980	1983/1982	1984/1983
Residential	75.6	3.3	16.7	(2.0)	(1.0)	4.3
Commercial	127.7	6.6	32.0	8.0	1.2	6.2
Industrial	101.4	(41.6)	58.6	(8.0)	(7.9)	(1.1)
Other	6.3	6.7	8.2	(1.0)	1.0	16.0
Total Sales	88.6	(26.0)	40.4	(3.9)	(4.3)	2.4

FIGURE NO. 5-10

REGULATED AND MUNICIPAL GAS SYSTEMS
Number of Customers, Total Revenue from Sales of Gas and Total MCFs and Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

	Number of Customers--Yearly Average (1)							
Regulated Utilities	1965	1970	1975	1980	1982	1983	1984	% Increase (Decrease) 1984 over 1983
Class A:								
N.C.Natural Gas	32,653	40,676	50,150	58,082	62,439	63,469	64,812	2.1
N.C. Gas Service (Penn. & Southern)	4,943	7,562	8,220	8,739	8,817	8,836	8,842	0.07
Piedmont Natural Gas	87,018	117,270	137,461	147,743	157,616	161,921	167,257	3.3
Public Service Co. of N.C.	59,472	94,942	116,198	131,787	142,848	149,926	156,121	4.1
United Cities Gas Co.	1,301	1,836	2,534	2,947				
Total--Regulated Utilities	185,387	262,286	314,563	349,298	371,720	384,154	397,032	3.4
Municipals: (2)								
Bessemer City	303	534	508	354	569	N/A	562	-
Greenville, City of	3,913	4,057	4,687	3,456	3,997	4,065	4,203	3.4
Kings Mountain, City of	1,000	1,381	1,637	1,767	1,674	1,630	1,632	0.1
Lexington, City of	3,576	4,535	4,354	4,369	4,451	4,438	4,526	2.0
Monroe, City of	1,030	1,562	2,419	2,361	1,965	2,026	2,208	9.0
Rocky Mount, City of	3,464	5,580	7,460	8,195	8,629	7,937	9,001	13.4
Shelby, City of	22,656	3,752	3,767	3,684	4,117	4,145	4,284	3.4
Wilson, City of	3,540	4,626	5,442	5,873	6,123	6,273	6,351	1.2
Total--Municipals	19,482	26,027	30,274	30,059	31,525	30,514	32,767	7.4
GRAND TOTALS--ALL GAS SYSTEMS	204,869	288,313	344,837	379,357	403,245	414,668	429,799	3.6

(1) Public Housing Units counted as customers; amounts for Municipal Gas are year-end figures.
(2) Municipal Data for fiscal years ending June 30.

FIGURE NO. 5-10 CONTINUED

Total Revenue From Sales of Gas (N.C. Data Only) ($ in 000s)

Regulated Utilities	1965	1970	1975	1980	1982	1983	1984	% Increase (Decrease) 1984 over 1983
Class A:								
N.C. Natural Gas	$10,599	$24,429	$42,986	$137,056	$179,590	$169,473	$180,635	6.6
N.C. Gas Service (Penn. & Southern)	1,222	2,446	3,166	9,642	11,389	14,452	14,622	1.2
Piedmont Natural Gas	22,194	36,828	59,831	179,421	239,555	269,107	285,890	6.2
Public Service Co. of N. C.	17,738	33,995	52,053	159,891	211,508	246,722	254,135	3.0
United Cities Gas Co.	359	630	1,096	3,011	--	--	--	
Total--Regulated Utilities	$52.112	$98,358	$159,132	$488,021	$642,042	$699,754	$735,282	5.1
Municipals: (1)								
Bessemer City	$93	$167	$301	$1,023	$1,491	$1,698	$1,576	(7.2)
Greenville, City of	364	589	1,145	3,660	4,797	6,152	6,005	(2.4)
Kings Mountain, City of	427	479	947	2,817	3,921	4,047	4,544	12.3
Lexington, City of	718	1,327	1,930	6,759	9,009	9,035	12,700	40.6
Monroe, City of	331	680	1,001	3,078	4,947	5,562	6,966	25.2
Rocky Mount, City of	922	1,543	2,715	8,563	11,768	12,219	11,532	(5.6)
Shelby, City of	1,240	1,743	2,338	8,649	13,110	13,532	15,506	14.6
Wilson, City of	572	919	1,399	2,883	4,855	5,483	5,932	8.2
Total--Municipals	$4,667	$7,447	$11,776	$37,432	$53,898	$57,728	$64,761	12.2
GRAND TOTALS--ALL GAS SYSTEMS	$56,779	$105,805	$170,908	$525,453	$695,940	$757,482	$800,043	5.6

(1) Municipal Data for years ending June 30.

FIGURE NO. 5-10 CONTINUED

Total Mcfs and Dekatherms of Gas Sold (000s) (1)

Regulated Utilities	1965	1970	1975	1980	1982	1983	1984	% Increase (Decrease) 1984 over 1983
Class A:								
N. C. Natural Gas	17,039	39,687	30,763	41,947	41,296	33,485	34,273	2.4
N.C. Gas Service (Penn. & Southern)	1,717	4,265	1,898	2,276	2,166	2,425	2,455	1.2
Piedmont Natural Gas	28,154	46,231	34,822	48,991	47,654	47,539	49,952	5.1
Public Service Co. of N.C.	23,234	42,106	30,490	43,942	41,863	43,808	43,625	(0.4)
United Cities Gas Co.	395	755	576	868	--	--	--	
Total--Regulated Utilties	70,539	133,044	98,549	138,024	132,979	127,257	130,305	2.4
Municipals: (2)								
Bessemer City	135	259	290	379	363	357	339	(5.0)
Greenville, City of	320	456	600	940	871	946	916	(3.2)
Kings Mountain, City of	642	695	980	1,008	870	801	879	9.7
Lexington, City of	919	2,018	2,024	2,609	2,203	1,972	2,731	38.5
Monroe, City of	367	810	670	878	943	943	1,112	17.9
Rocky Mount, City of	1,308	1,726	1,608	2,170	2,317	1,879	1,957	4.2
Shelby, City of	2,576	3,676	2,760	3,553	3,335	3,011	3,463	15.0
Wilson, City of	545	821	782	853	953	900	941	4.6
Total--Municipals	6,812	10,461	9,714	12,390	11,855	10,809	12,338	14.1
GRAND TOTALS--ALL GAS SYSTEMS	77,351	143,505	108,263	150,414	144,834	138,066	142,643	3.3

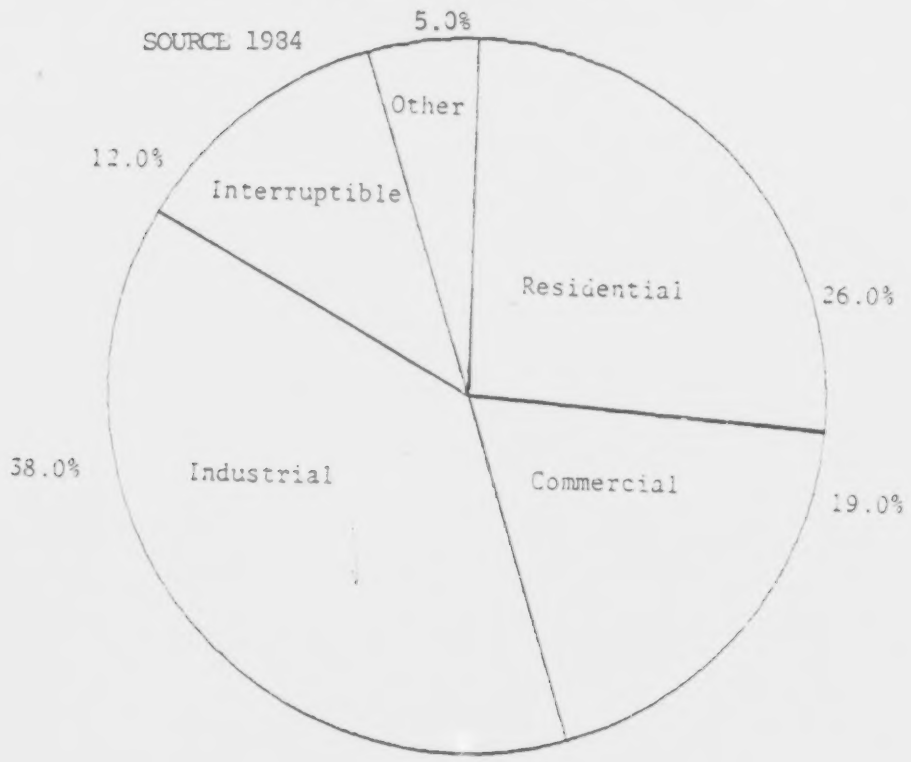
(1) Sales for period 1965-1975 shown in Mcfs. Sales from 1980 shown in dekatherms (DTs). Dekatherms = 1.030 Mcfs.
(2) Municipal Data for fiscal years ending June 30.

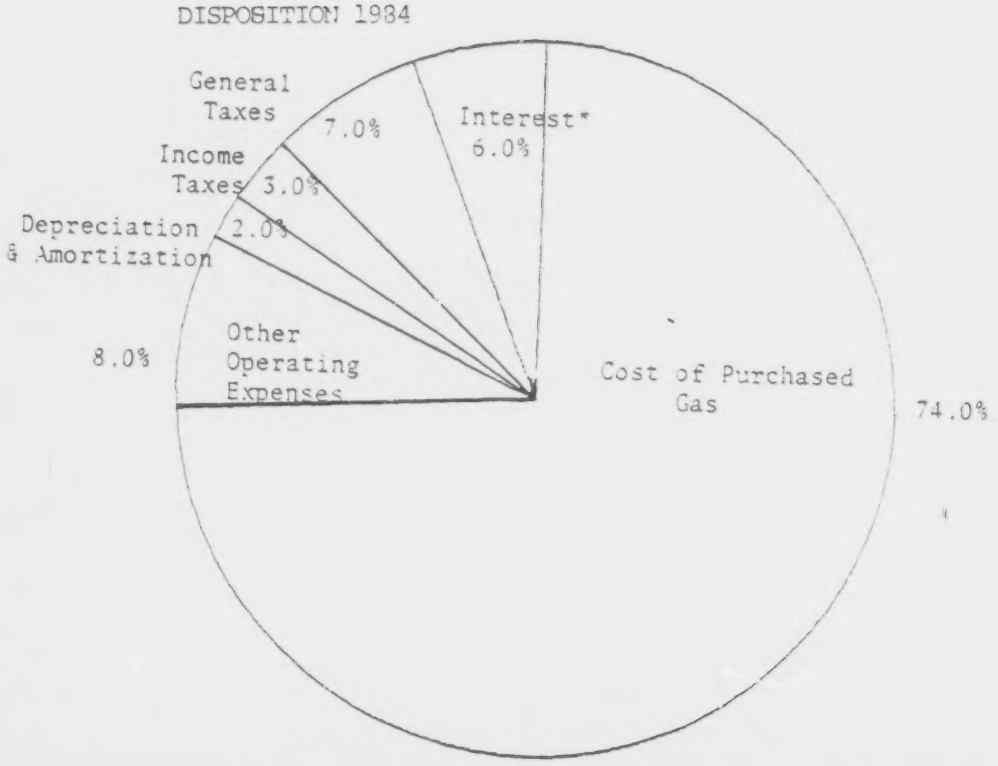
FIGURE NO. 5-12

1984 REFUNDS AND CUMULATIVE DOLLARS PAID TO FUND E & D PROGRAMS
BY TYPICAL RESIDENTIAL CUSTOMER AS OF 12/31/84

Company	Cumulative Costs per Customer 1975-1984	Customer Refunds 1984	Net Costs to be Recovered
N.C. Gas Service (Penn. & Southern)	$ 22.43	$ (0.39)	$ 22.04
N.C. Natural Gas Company	38.31	(1.35)	36.96
Piedmont Natural Gas Company	24.64	(1.20)	23.44
Public Service Gas Company	37.81	(1.45)	36.36
Total	$ 123.19	$ (4.39)	$ 118.80

FIGURE NO. 5-13
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
GAS COMPANIES
NORTH CAROLINA DATA ONLY





*Includes Dividends and Retained Earnings

FIGURE NO. 5-14

SOURCE AND DISPOSITION OF THE GAS OPERATING REVENUE DOLLAR
(N.C. DATA ONLY)
For the Years 1980-1984

Source:	1980	1981	1982	1983	1984
Residential	24%	23%	25%	26%	26%
Commercial	16	16	18	19	19
Industrial	48	41	39	36	38
Interruptible	7	15	13	13	12
Other	5	5	5	6	5
Total	100%	100%	100%	100%	100%

Note: The revenue dollar includes other net income and deductions, including interest charged during construction.

Disposition:	1980	1981	1982	1983	1984
Cost of purchased gas	75%	76%	76%	75%	74%
Other operating expenses	8	7	9	8	8
Depreciation & amortization	2	2	2	2	2
Income Taxes	3	1	1	3	3
General Taxes	7	7	7	7	7
Interest & Other Deductions	2	3	2	2	2
Dividends	2	2	2	2	1
Retained Earnings	1	2	1	1	3
Total	100%	100%	100%	100%	100%

FIGURE NO. 5-15

CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1965, 1970, 1975, 1980, 1982, 1983 and 1984

Item	1965	1970	1975	1980	1982	1983	1984	% Change 1983-1984
Number of Companies Regulated	7	5	5	5	4	4	4	
Number included in this data	7	5	5	5	4	4	4	
Income Statement (000s)								
Sales--Residential			$49,823	$116,671	$156,545	$181,539	$190,003	4.7
Commercial			28,308	77,797	115,715	134,714	143,667	6.6
Industrial-Firm			37,712	235,115	250,392	258,128	277,951	7.7
Industrial-Interruptible			33,890	34,342	86,155	89,871	85,146	(5.3)
Other Sales			9,399	24,096	33,235	35,503	38,884	9.5
Total Sales of Gas	$52,112	$98,358	159,132	488,021	642,042	699,755	735,651	5.1
Other Operating Revenues	325	159	(372)	997	798	1,854	(369)	N/APL.
Total Gas Operating Revenues	$52,437	$98,517	$158,760	$489,018	$642,840	$701,609	$735,282	4.8
Expense Items								
Production Expense	$25,926	$51,628	$81,995	$367,455	$486,659	$530,505	$547,312	3.2
Transmission Expense	960	1,909	264	395	2,300	2,385	2,525	5.8
Distribution Expense					15,942	16,844	18,309	8.7
Customer Accounts Expense					11,317	11,186	11,708	4.7
Sales Expense			1,258	2,396	2,838	3,086	3,736	21.1
Administrative & General Expense					17,443	19,112	21,398	12.0
Depreciation Expense	3,463	5,153	7,660	10,597	12,393	13,580	14,256	5.0
Natural Gas Storage					1,739	1,518	1,840	21.2
Customer Service & Informational Expense					494	404	482	19.3
Other Expense	6,730	11,688	20,323	34,520	0	0	0	N/APL.
Total Operating Expenses Before Taxes	$37,079	$70,378	$111,500	$415,363	$551,125	$598,620	$621,566	3.8
State Taxes								
Income Tax	$337	$655	$1,286	$1,353	$1,137	$1,877	$2,380	26.8
Gross Receipts Tax			9,602	29,022	38,342	41,622	43,728	5.1
Property Tax	4,490	8,289	2,750	3,128	3,574	3,729	3,594	(3.6)
Other State Taxes			66	197	211	233	392	68.2
Total State Taxes	$4,827	$8,944	$13,704	$33,700	$43,264	$47,461	$50,094	5.5
Federal Taxes								
Income Tax	$2,539	$4,512	$9,053	$6,345	$4,694	$11,188	$14,726	31.6
Provision for Deferred Taxes			2,354	3,435	6,925	5,376	4,155	(22.7)
Income Tax Deferred in Prior Years			(13)	(9)	(13)	(12)	(13)	8.3
Investment Tax Credit			208	2,637	2,342	2,173	1,877	13.6
Payroll, Unemployment & Other Federal Taxes	200	1,118	866	1,461	2,305	2,214	2,514	13.6
Total Federal Taxes	$2,739	$5,630	$12,468	$13,869	$16,253	$20,939	$23,259	11.1
Total State & Federal Taxes	$7,566	$14,574	$26,172	$47,569	$59,517	$68,400	$73,353	7.2
Total Operating Expenses	$44,645	$84,952	$137,672	$462,932	$610,642	$667,020	$694,919	4.2

FIGURE NO. 5-15 CONTINUED

	1965	1970	1975	1980	1982	1983	1984	% Change 1983-1984
Net Operating Income	$7,792	$13,565	$21,088	$26,086	$32,198	$34,589	$40,363	16.7
Other Income & Expenses								
Other Income	$234	$1,003	$438	$3,013	$673	$3,613	$3,099	(14.2)
Allowance for Funds Used During Construction			484	99	469	306	602	96.7
Deductions from Income			53	256	616	526	1,349	156.5
Total Other Income & Expense	$234	$1,003	$869	$2,856	$526	$3,393	$2,352	(30.7)
Fixed Charges								
Interest on Funded Debt	$3,879	$6,428	$7,790	$9,348	$9,189	$11,418	$11,851	3.8
Other Fixed Charges	153	1,359	948	2,915	6,238	3,759	5,426	44.3
Allowance for Borrowed Funds Used During Construction					(149)	(158)	(293)	85.4
Total Fixed Charges	$4,032	$7,787	$8,738	$12,263	$15,279	$15,019	$16,984	13.1
Extraordinary Items					($153)	$0	$0	N/APL.
Net Income	$3,994	$6,781	$13,219	$16,679	$17,293	$22,963	$25,731	12.1
Balance Sheet (000s)								
Assets								
Utility Plant in Service	$138,298	$220,298	$280,163	$379,473	$447,826	$478,942	$515,323	7.6
Construction Completed Not Classified	0	0	0	0	0	0	1,614	N/APL.
Leased to Others	0	0	23	23	23	23	0	100.0
Held for Future Use	0	0	736	250	126	669	669	0
Construction Work in Progress	0	0	10,452	6,036	4,628	8,294	13,601	64.0
Acquisition Adjustments	0	0	(112)	(20)	450	450	449	.2
Total Utility Plant	$138,298	$220,298	$291,262	$385,762	$453,053	$488,378	$531,656	8.9
Depreciation Reserve	22,093	41,397	70,874	115,234	136,674	150,213	163,425	8.8
Net Utility Plant	$116,205	$178,901	$220,388	$270,528	$316,379	$338,165	$368,231	8.9
Customer Accounts Receivable					$63,328	$76,918	$72,044	(6.3)
Accounts Receivable--Associated Companies					6,012	4,674	6,216	33.0
U.S. Government Securities					0	0	6,057	N/APL.
Temporary Cash Investments					2,100	0	8,200	N/APL.
Gas Stored Underground					30,423	23,139	37,053	60.1
Liquified Natural Gas Stored					5,188	4,595	6,699	45.8
Deferred Cost of Purchased Gas					6,425	9,109	3,541	(61.1)
Investment in Subsidiary Company					2,414	4,789	9,074	89.5
Prepayments					2,494	347	583	68.0
Miscellaneous Current & Accrued Assets					7,671	6,801	6,160	9.4
Other Assets					20,391	26,764	14,459	46.0
Total Assets					$462,825	$495,301	$538,317	8.7
Liabilities & Stockholder's Equity								
Preferred Stock					$9,964	$4,805	$7,414	54.3
Common Stock					9,037	12,937	9,290	(28.2)
Other Paid-in Capital					29,470	32,098	25,441	(20.7)
Premium on Capital Stock					21,351	23,261	34,622	48.8
Less Discount on Capital Stock					39	0	0	0

FIGURE NO. 5-15 CONTINUED

	1965	1970	1975	1980	1982	1983	1984	% Change 1983-1984
Less Capital Stock Expense					(294)	(254)	(331)	30.3
Retained Earnings					73,302	83,323	93,057	11.7
Other Capital					0	0	0	0
Total Stockholder's Equity					$144,951	$156,167	$169,493	8.5
Total Long Term Debt					$116,233	$122,970	$130,943	6.5
Short Term Obligations					50,318	45,616	0	N/APL
Accounts Payable					55,021	62,329	55,244	(11.4)
Taxes Accrued					14,748	16,292	15,739	(3.4)
Matured Long Term Debt					3,906	1,850	1,831	(1.0)
Refunds Payable					3,150	4,097	3,824	(6.7)
Accumulated Deferred Income Taxes					40,084	45,139	48,903	8.3
Accumulated Deferred Investment Tax Credits					15,312	18,010	19,402	7.7
Miscellaneous Current & Accrued Liabilities					2,906	4,299	2,248	(47.7)
Operating Reserves					45	75	132	76.0
Other Liabilities					18,233	18,457	90,558	390.6
Total Liabilities					$319,956	$339,134	$368,924	8.8
Total Liabilities & Stockholder's Equity					$464,807	$495,301	$538,317	8.7
Balance Sheet Items (Systemwide) (000s)								
Long Term Debt	$94,565	$143,161	$146,661	$148,905	$134,182	$143,230	$146,466	2.3
Retained Earnings	9,442	24,224	48,294	72,006	84,233	94,818	103,866	9.5
Total Capitalization	143,994	223,838	258,189	299,888	292,129	319,856	335,024	4.7
Long Term Debt % of Total Captialization	65.7%	64.0%	56.8%	49.7%	45.9%	44.8%	43.7%	(2.5)
Average Number of Common Shares Outstanding	5,443	6,156	7,115	8,432	8,497	8,793	9,079	3.3
Earnings Per Average Common Shares Outstanding (After Preferred Dividends)	$ .75	$ 1.24	$ 1.99	$ 2.37	$ 2.15	$ 2.94	$ 2.77	(5.8)
Customer and Miscellaneous Data (N.C. Data)								
Average Annual Use--Residential Customers (DTs)	93	116	95	97	89	86	87	1.2
Total Residential Customers	145,080	208,712	255,339	294,343	314,108	324,569	335,249	3.3
Grand Total--All Types Customers	185,387	262,286	314,563	349,298	371,720	384,154	397,032	3.4
Average Number Full Time Employees	1,410	1,851	1,764	2,067	2,257	2,277	2,305	1.2
Total Salaries and Wages Paid Employees ($000s)	$7,751	$13,539	$17,216	$33,085	$41,648	$43,887	$48,771	11.1
Average Annual Compensation Per Employee	$5,497	$7,315	$9,760	$16,006	$18,453	$19,274	$21,159	9.8

VI. The Communications Industry

Telephone, Western Union, Radio Common Carrier

A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY—GENERAL

At December 31, 1984, there were sixteen Class A & B, four Class C & D telephone companies and one telephone municipality under the jurisdiction of the North Carolina Utilities Commission. Six of the telephone companies under North Carolina jurisdiction also have operations in other states. These companies include ALLTEL Carolina Telephone Company, American Telephone & Telegraph Communications, Inc., Central Telephone Company, Continental Telephone of Virginia, General Telephone of the Southeast and Southern Bell Telephone and Telegraph Company.

Following is a list of the Telephone Holding Companies and their wholly owned or controlled operating telephone companies, which were under Commission regulation as of December 31, 1984:

Parent Holding Company	Operating Telephone Company
BellSouth Corporation (1)	Southern Bell Tel. & Tel. Co.
Centel Corporation	Central Tel. Co.
Continental Tel. Co.	Cont. Tel. Co. of North Carolina
	Cont. Tel. Co. of Virginia (Serves Knotts Island, N.C.)
Gen. Tel. & Electronics	Gen. Tel. Co. of Southeast (2)
Mid-Continent Tel. Co.	ALLTEL Carolina Tel. Co.
	Sandhill Tel. Co.
T.D.S. Inc. (Telephone & Data Systems, Inc.)	Barnardsville Tel. Service Telephone Co.
United Telecommunications, Inc.	Carolina Tel. & Tel. Co.

(1) Effective January 1, 1984, the parent holding company for Southern Bell Telephone and Telegraph Company is BellSouth Corporation, one of the seven regional holding companies created to accomplish the required divestiture.
(2) On December 12, 1985, this company's name was changed to General Telephone Company of the South.

Description of the Divestiture Transaction of American Telephone & Telegraph Company (AT&T)

On January 1, 1984, the divestiture of the Bell system was implemented. Under the terms of the divestiture agreement, AT&T had to divest itself of ownership of the Bell operating companies (BOC) that relate to exchange telecommunications, exchange access functions, and printed directory advertising, as well as its celluar advanced mobile communications service business. AT&T retained ownership of AT&T Communications, Western Electric, Bell Laboratories, AT&T Information Systems, AT&T International and those portions of the BOCs which provide interexchange service and customer premises equipment. As a result of the divestiture, AT&T Communications of the Southern States, Inc., (ATTCOM) was certified to provide the interLATA long-distance service within North Carolina previously provided by Southern Bell Telephone & Telegraph Company. Southern Bell continues to provide local exchange service and intraLATA long-distance service within its certificated area. Separate rates and tariffs were established for the respected services of AT&T and Southern Bell.

B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had a total of 2,549,105 access lines in service as of December 31, 1984. This is an increase of 4.2% from 1983 with 2,447,116 total access lines. Figure No. 6-3 shows total telephones by companies for the years 1960, 1965, 1970, 1975, 1980 and 1981. Figure No. 6-4 shows access lines for the years 1982, 1983 and 1984. In 1982 the telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines. For a definition of access line see Figure No. 6-5. In 1984 Southern Bell Telephone and Telegraph Company continued to serve 51% and

Carolina Telephone and Telegraph continued to serve 25% of the total customers in North Carolina.

The installation of additional access lines required additional investment. For example, in installing an additional access line, provisions must be made for central office equipment, circuits and lines to accommodate the traffic potential of the installation. The telephone companies generally attempt to engineer for a five-to seven-year growth period in outside cable plant facilities and for a one-to two-year growth period in central office equipment. For other types of plants the companies strive for a margin of reserve of greater duration depending on the type of construction and the economics involved in such construction. Unlike other industries, increased volume and increased installations do not necessarily mean increased profits for the telephone utilities. In many instances increased volume can mean less net earnings where the unit costs of servicing the investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per line. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differentials where a subscriber who had been receiving four-party service asks for and receives one-party service the increased revenue per unit may not keep pace with the additional investment and expense.

C. DEMANDS FOR SERVICE

The telephone companies in North Carolina for several years have been faced with an enormous challenge in meeting demands for service. However as more and more telephone service is extended throughout the State the overall problem changes somewhat from satisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality and upgraded service.

D. EXTENDED AREA SERVICE (EAS)

Extended Area Service is the industry term applied to the extension of local calling from one telephone exchange to and from another exchange without a toll charge being levied. Extended area coverage was approved for three companies in 1983 and four companies in 1984.

E. TELEPHONE RATES--COMMENTS

Local Exchange Rates

These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a companywide basis according to the calling scope of the particular exchange; i.e., the number of main stations and PBX trunks in an exchange which a single subscriber may telephone without toll charge. These rate groupings are not standard among the companies. Figure No. 6-6 shows rate groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus unlike electric and natural gas utilities which have standard rates applicable to a customer classification companywide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone

rates also vary substantially between companies and states. Figure No. 6-7 shows local service telephone monthly rates for selected out-of-state exchanges. The out-of-state companies shown were selected mainly because exchange sizes and population are comparable to North Carolina. The use of this data for comparative purposes is limited and must be used with discretion. It illustrates the wide disparities in rates between companies and states.

Toll Charges

Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have been made for extended area (toll-free) service. Intrastate toll charges in North Carolina are uniform throughout the State. See Figure No. 6-8.

Two- and Four-Party Service

Two-party and four-party service in North Carolina was .89% of 1% and .53% of 1% respectively of total lines in 1984.

Service Charges

These are the charges made for installing, moving and changing telephone instruments. These charges have been increased for some companies in the past few years mostly in rate case proceedings to make them more cost-related. Figure No. 6-1 shows some typical charges by selected companies for various services relating to installing a telephone.

Special Charges

Certain special equipment, such as key systems and private branch exchange systems, require special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

F. RATE INCREASES APPROVED

During 1984, as in the past, much time was required in formal hearings for telephone companies. Preparation and local hearing time effort associated with the general rate proceedings increased the Commission workload more than any other single telephone matter. In 1984 fifty-two percent of the amount requested by the telephone companies was granted in general rate proceedings. Details of the general rate increases for 1984 are shown in Figure No. 6-2.

G. WESTERN UNION OFFICES

The Western Union Telegraph Company (Western Union), organized in New York in 1851, is the principal subsidiary of Western Union Corporation. Western Union has developed and provides a wide range of communications and related services including network services through Telex I and Telex II, private communications, information handling systems to the government and to industry, money transfer service, mailgram and telegram message services and other services such as maintenance under contracts with customers who own or lease terminals and other communications related equipment.

In recent years as large businesses made growing use of their telex and TWX terminal capability for originating telegrams, and as smaller businesses and the general public increasingly availed themselves of telephone convenience for sending their telegrams, the need for independent offices and branches owned by Western Union steadily declined in the United States and in North Carolina. For example there were 860 such offices in 1971 nationwide and 25 in North Carolina, and in 1984 they have declined to 111 and 4 respectively. Less than 10% of public message traffic is accepted over the counter; and most of that traffic is money order business.

The number of agency or commission offices have remained fairly constant. They are most often small "mom and pop" operations by persons other than employees of Western Union. In 1971

there were 6,913 of these type operators nationwide and 249 in North Carolina.

The following illustrates the number of Western Union offices in the United States and in North Carolina:

	United States		North Carolina	
	1983	1984	1983	1984
Independent Office & Branches	144	111	5	4
Joint Offices	0	0	0	0
Agency or Commission Offices	6,123	7,614	224	275
Total	6,267	7,725	229	279

Due to the passge of the Record Carrier Competition Act of 1981 (P.L.97-130), the Utilities Commission no longer regulates the intrastate record services of the Western Union Telegraph Company.

H. RADIO COMMON CARRIERS

There were fourteen Radio Common Carriers (RCCs) certified to operate in North Carolina at the end of 1985. These RCCs provide two-way mobile telephone service and one-way radio paging service to approximately 15,000 units within the State. The services offered by RCCs generally include automatic dial as well as manual operation for mobile units and pagers. Interconnection with the landline telephone network is provided in order to permit direct communications between landline telephones and RCC mobile/paging units.

The growth of RCC two-way mobile units has been hampered by the limited number of VHF radio channels available from the Federal Communications Commission (FCC). While the demand for RCC service has been increasing in the metropolitan areas, the limited number of radio channels has restricted the number of subscribers an RCC could serve and still maintain an acceptable quality of service. It is anticipated that most future mobile telephone growth will have to be met through the use of higher frequency channels in the 450 MHz or 900 MHz bands.

During 1982 the Commission granted a general rate increase to Anser-Quik Enterprises, Inc. There were no general rate cases for the radio common carriers in either 1983 or 1984.

Cellular Radio Technology

Two-way mobile radio service is now provided by mobile radio carriers. It may be described as "party-line" service, much of it manually dispatched and its grade of service is poor due to present FCC channel loading criteria. Two-way service is not of the efficiency and speed now needed by the public. Technology is now available to enhance, improve and add to two-way radio service. This vastly enhanced two-way service is popularly called "cellular mobile radio service." Under the "cellular" technology the number of radio base stations is expanded so that as a two-way mobile radio subscriber moves through the service area his call is automatically and instantly "handed off" from one base station to another so that a subscriber may originate and terminate calls from any point within the service area. Two or more callers can share the facilities simultaneously. Central switching equipment automatically routes calls through interconnection with the landline telephone network so that mobile-to-land and land-to-mobile calls can be completed as well as mobile-to-mobile calls. Unlike the conventional two-way calling now offered by most of the mobile radio common carriers in their franchised areas, the "cellular mobile radio" system has a built-in capacity to expand as public demand increases with a grade of service comparable to landline telephone service.

The Federal Communications Commission, allocates frequencies, grants facility construction permits

and grants licenses for facilities used in one-way and two-way mobile radio systems. The FCC has identified nine markets (Cellular Geographic Service Area [CGSA]) nationwide in which the public demand and need will justify cellular enhancement. Accordingly the FCC has allocated two 20 MHz groups to each market. Initially one license will be available to radio common carriers. During 1984 the four companies filing for a certificate to provide cellular communications were issued certificates. These companies include ALLTEL Cellular Associates of the Carolinas, Raleigh-Durham MSA Limited Partnership and Centel Cellular Co. of North Carolina. One company, ALLTEL Mobile Communications, applied for resale authority on November 21, 1984. The hearing was set for early 1985 and a certificate was subsequently issued.

I. SOURCE AND DISPOSITION OF REVENUES--COMMENTS

The telephone companies derived about 31.9% of their revenues from local charges, 41.0% from toll charges, 21.1% from access charges, and 6.0% from miscellaneous services in 1984 compared to 44.2%, 51.8% and 4.0% in 1983. These ratios were somewhat higher in 1983 because the access charges were not broken down separately. These ratios have not changed drastically on a year-to year basis, but the long-term trend (1965-1984) shows an increasing amount from toll service.

The components of the disposition of the revenue dollar as shown on Figure No. 6-9 indicates that for the year 1984 compared to 1983 operating expenses and retained earnings both increased while all other disposition components decreased.

J. PLANT INVESTMENTS--COMMENTS

The regulated telephone companies increased gross plant investment in North Carolina 9.2% in 1980, 7.0% in 1982, 6.0% in 1983 and 8.8% in 1984. These increases represent investments of $281 million in 1980, $253 million in 1982, $383 million in 1983 and brings the total gross investment at December 31, 1984, to $4,734,861,000.

Figure No. 6-10 shows investment per access line 1983 and 1984 on a North Carolina industrywide basis. Figure No. 6-11 shows investment per telephone for the regulated telephone companies for the years 1960, 1965, 1970, 1975, 1980 and 1981. Figure No. 6-12 shows the investment per access line as of December 31, 1983, and 1984. The information shown in Figure No. 6-12 indicates the variances in this important cost element of providing telephone service, and these variances in plant cost contribute to the variances in telephone rates between companies.

K. STATISTICAL SUMMARY DATA

Total operating revenues of the telephone companies increased in 1984 over 1983 by a total of 25.0%. The new category of access line charges is responsible for this large increase in revenues from the previous year. Operating expenses including taxes increased 30.1% and net operating income increased 2.5% for the same period. The average annual wage per telephone employee was $26,683 in 1984, a 6.0% increase over the previous year. Total salaries and wages paid by the telephone companies were more than $458 million in 1984. The total average number of employees decreased in 1984 over 1983 to 17,170 employees. A detailed account of these and other selected items is shown in Figure No. 6-13.

FIGURE NO. 6-1

CHARGES FOR VARIOUS TELEPHONE INSTALLATION SERVICES
IN EFFECT JANUARY 1, 1985

	Carolina **		Citizens		Southern Bell	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$ 18.80	$ 22.97	$ 15.93	$ 24.38	$ 27.50	$ 41.25
Premises Visit	5.92	9.23	7.58	7.58	10.25	10.25
Central Office Work	5.10	5.34	7.28	7.96	15.25	21.25
Inside Wiring	11.27	14.71	5.83	7.28	15.25	26.00
Jack	6.80	6.80	4.47	4.47	6.75	6.75
Equipment Work	5.34	11.90	4.23	5.97	6.00	8.25
Totals*	$ 53.23	$ 70.95	$ 45.32	$ 57.64	$ 81.00	$113.75

	Heins		Ellerbe		Cont. Tel. of N.C.***	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$ 18.45	$ 22.34	$ 11.66	$ 13.60	$ 22.33	$ 22.33
Premises Visit	7.78	8.75	4.86	5.83	6.80	6.80
Central Office Work	4.86	5.83	2.91	2.91	21.36	21.36
Inside Wiring	9.72	13.60	3.89	6.80	17.48	40.78
Jack	--	--	1.94	1.94	2.92	2.92
Equipment Work	4.86	6.81	1.94	1.94	13.60	13.60
Totals*	$ 45.67	$ 57.33	$ 27.20	$ 33.02	$ 84.49	$107.79

* These are typical charges made for the installation of one main station at a new location.
** These charges are effective November 11, 1985.
*** These charges are effective May 16, 1985.

FIGURE NO. 6-2

GENERAL RATE INCREASES APPROVED FOR TELEPHONE COMPANIES
FOR THE YEAR ENDED DECEMBER 31, 1984

Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date Of Final Order
ALLTEL Carolina, Inc.	5-18-84	P-118, Sub 31	$2,478	$962	38.8%	12-19-84
Heins Telephone Co.	7-15-83	P-26, Sub 88	$1,070	$593	55.4%	2-15-84
Southern Bell Tel. & Tel. Co.	1-16-84	P-100, Sub 69	$95,776	$50,421	52.6%	11-9-84
Total			$99,324	$51,976	52.3%	

FIGURE NO. 6-3

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES IN SERVICE, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1960, 1965, 1970, 1975, 1980, & 1981

Class A & B	Number of Total Telephones in Service						Number of Exchanges					Number Phones Per 100 Population		Number Phones Per Square Mile Area		% Household in Area Served Housing Phones		Average Number Employees Per Company	
	1960	1965	1970	1975	1980	1981	1965	1970	1975	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981
Carolina Tel. & Tel. Co.[1, 8]	244,716	348,295	527,190	779,464	982,532	910,456	137	143	146	146	145	56	53	50	48	88	89	5,511	5,420
Central Telephone Co.[2]	74,072	101,508	142,461	191,600	241,597	232,384	39	35	43	43	43	54	52	77	74	89	87	1,132	1,107
Citizens Telephone Co.	3,462	5,919	8,704	12,133	15,968	16,530	3	3	4	4	4	71	73	42	44	94	95	72	65
Concord Telephone Co.	34,992	44,308	56,365	72,353	93,740	97,382	9	9	9	9	9	67	68	133	138	96	96	334	336
Continental Tel. of N.C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ellerbe Telephone Co.	574	743	1,084	1,535	2,003	2,088	1	1	1	1	1	48	50	8	8	85	85	8	8
General Tel. Co. of the Southeast[3]	43,943	65,363	97,469	124,839	162,054	167,473	5	5	5	5	5	66	84	203	199	91	91	1,720	1,734
Heins Telephone Co.	8,284	11,267	15,825	22,130	30,087	31,263	3	3	3	3	3	66	65	64	67	95	96	165	162
Lexington Telephone Co.	9,049	12,006	17,082	22,248	28,825	29,873	3	3	3	3	3	59	61	139	144	90	N/A	173	173
Mebane Home Telephone Co.	1,903	2,571	3,665	5,502	6,877	7,069	1	1	1	1	1	40	40	46	46	75	75	22	22
Mid-Carolina Telephone Co.[4]	21,830	33,016	51,810	77,742	108,747	113,738	24	26	26	26	26	36	38	49	52	89	90	311	313
North State Telephone Co.	37,221	48,237	64,662	86,473	113,740	114,752	3	3	3	3	3	52	74	193	200	87	92	476	476
Pineville Telephone Co.[6]	—	—	—	—	2,177	2,185	—	—	—	1	1	109	109	2,177	22	98	98	14	12
Randolph Telephone Co.	1,026	1,398	2,104	2,847	3,773	3,795	1	1	1	1	1	53	53	46	46	89	95	15	14
Sandhill Telephone Co.	1,341	1,743	2,526	3,624	5,225	5,381	2	2	2	2	2	73	74	100	103	95	97	12	12
Southern Bell Tel. & Tel. Co.[5]	670,413	886,620	1,253,681	1,763,783	2,246,942	2,285,163	92	93	94	95	95	83	80	186	185	87	87	11,254	11,400
Westco Telephone Co.	—	8,709	16,881	24,645	34,019	34,399	13	15	15	15	15	36	36	16	17	76	76	—	—
Western Carolina Tel. Co.[7]	16,216	15,489	27,496	42,181	57,578	57,771	13	12	12	11	11	35	35	32	32	80	82	449	449
Totals Class A & B	1,169,042	1,587,192	2,289,005	3,233,099	4,135,884	4,111,702	349	355	368	369	368	67*	66*	93*	93*	88**	89**	21,668	21,703
Class C & D																			
Barnardsville Telephone Co.	186	293	354	613	876	911	1	1	1	1	1	44	46	7	7	85	85	3	3
Continental Tel. Co. of Virginia	42	48	184	339	452	465	1	1	1	1	1	35	35	30	31	60	61	N/A	N/A
Saluda Mountain Tel. Co.	290	373	520	833	1,320	1,365	1	1	1	1	1	68	69	19	19	85	85	3	5
Service Telephone Co.	367	468	600	915	1,461	1,494	1	1	1	1	1	58	60	42	43	80	80	4	4
Totals Class C & D	885	1,182	1,658	2,700	4,109	4,235	4	4	4	4	4	53*	54*	17*	17*	78**	77**	10	12
Grand Totals	1,169,927	1,588,374	2,290,663	3,235,799	4,139,993	4,115,937	353	359	372	373	372	67*	66*	93*	93*	86**	83**	21,678	21,715
United States Totals[9]	77,813,000	93,659,000	120,783,300	148,823,000	180,180.00	181,551,000													
Special Service & Private Lines	22,903	27,216	28,752	41,555	36,753	43,602													

[1]United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United for the period 1960-1978 are included in Carolina.

[2]Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3]General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4]Litesville Telephone Company merged with North Carolina Telephone Company December 31, 1968. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company. North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina.

[5]Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company, April 1, 1977. All figures for 1976 and prior years are included in Southern Bell.

[6]Pineville Telephone Company came under Commission jurisdiction January 1, 1976. (Docket No. P-120, Sub 1).

[7]Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8]Norfolk & Carolina Tel & Tel. Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

[9]Reference: Independent Telephone Statistics, U.S. Independent Telephone Association.

*Weighted Average
**Simple Average

FIGURE NO. 6-4

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL ACCESS LINES, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1982, 1983 AND 1984

	Number of Access Lines			% Change 1984-1983	Number of Exchanges			No. Access Lines Per 100 Population		
Class A & B	1982	1983	1984		1982	1983	1984	1982	1983	1984
ALLTEL Carolina Tel. Co.	68,127	70,259	72,092	2.6	26	26	26	22	22	53
Carolina Telephone Co.	591,592	612,864	635,839	3.7	145	145	145	34	35	36
Central Telephone Co.	152,890	157,868	162,635	3.0	43	43	42	34	34	42
Citizens Telephone Co.	10,288	10,680	11,215	5.0	5	5	1	45	47	46
Concord Telephone Co.	61,570	63,279	64,273	1.6	9	9	9	43	43	43
Continental Tel. Co. of North Carolina	69,593	69,390	70,708	1.9	26	26	26	26	38	N/A
Ellerbe Telephone Co.	1,328	1,368	1,418	3.7	1	1	1	31	32	33
General Tel. Co. of Southeast	90,031	93,501	114,304	22.2	5	5	5	43	47	57
Heins Telephone Co.	18,359	19,031	19,935	4.7	3	3	3	38	35	36
Lexington Telephone Co.	18,801	19,251	20,018	4.0	3	3	3	38	39	41
Mebane Home Telephone Co.	4,495	4,871	5,064	4.0	1	1	1	35	49	46
North State Telephone Co.	67,366	69,438	72,684	4.7	3	3	3	43	44	43
Pineville Telephone Co.	1,183	984	1,011	2.7	1	1	1	59	49	51
Randolph Telephone Co.	2,467	2,545	2,647	4.0	1	1	1	34	35	37
Sandhill Telephone Co.	2,999	3,043	3,167	4.1	2	2	2	37	39	N/A
Southern Bell Tel. & Tel. Co.	1,228,702	1,245,824	1,289,047	3.5	93	95	93	42	42	43
Totals: Class A & B	2,388,791	2,444,196	2,546,057	1.4	367	369	362	38*	38*	40*
Class C & D										
Barnardsville Telephone Co.	688	708	754	6.5	1	1	1	34	35	38
Continental Tel. Co. of Virginia	355	360	374	3.9	1	1	1	36	39	N/A
Saluda Mountain Tel. Co.	966	993	1,042	4.9	1	1	1	49	49	49
Service Telephone Co.	851	859	878	2.2	1	1	1	34	34	35
Totals: Class C & D	2,860	2,920	3,048	4.4	4	4	4	38*	39*	40*
Grand Totals	2,391,651	2,447,116	2,549,105	4.2	371	373	366	38*	38*	40*
United States Totals**	21,672,000	22,331,000	22,068,914	(1.2)						
North Carolina as % of United States Total	11.0%	11.0%	11.2%							

* Weighted Average; All other averages are Simple Averages.
** United States totals from USTA Telephone Statistics Volume 1, 1985 Edition. Information from 611 independent Class A telephone companies.

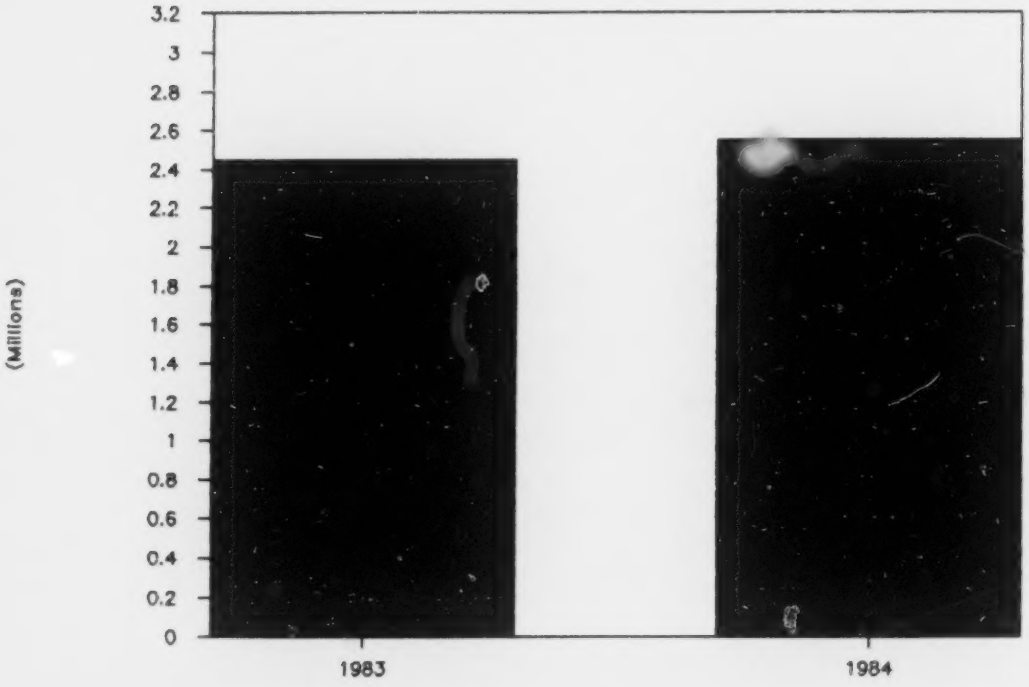
FIGURE NO. 6-4 CONTINUED
TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL ACCESS LINES, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1982, 1983 AND 1984

	No. Access Lines Per Square Mile Area			% Households in Area Served Having Phones			Average No. Employees Per Company		
Class A & B	1982	1983	1984	1982	1983	1984	1982	1983	1984
ALLTEL Carolina Tel. Co.	31	32	38	90	87	87	312	303	299
Carolina Telephone Co.	31	32	33	89	90	90	5,309	5,062	4,906
Central Telephone Co.	49	50	52	88	80	74	1,049	934	848
Citizens Telephone Co.	27	28	28	95	95	95	64	66	69
Concord Telephone Co.	87	90	91	96	97	97	331	334	315
Continental Tel. Co. of North Carolina	18	18	18	84	92	N/A	431	388	N/A
Ellerbe Telephone Co.	5	5	5	86	87	88	9	9	10
General Tel. Co. of Southeast	107	111	136	91	91	91	1,750	1,773	1,998
Heins Telephone Co.	39	41	44	96	90	91	155	150	152
Lexington Telephone Co.	90	93	96	N/A	N/A	N/A	167	164	153
Mebane Home Telephone Co.	30	32	34	94	94	95	23	21	22
North State Telephone Co.	117	121	126	91	91	92	472	467	455
Pineville Telephone Co.	118	N/A	N/A	97	97	97	13	13	13
Randolph Telephone Co.	30	31	32	86	87	90	12	13	12
Sandhill Telephone Co.	58	35	N/A	97	97	N/A	12	11	N/A
Southern Bell Tel. & Tel. Co.	102	103	107	84	81	81	11,133	10,386	7,906
Totals: Class A & B	54*	56*	58*	91	90	90	21,242	20,094	17,158
Class C & D									
Barnardsville Telephone Co.	5	6	6	85	85	85	3	3	3
Continental Tel. Co. of Virginia	13	13	N/A	61	91	N/A	--	--	--
Saluda Mountain Tel. Co.	14	17	17	85	88	89	5	5	5
Service Telephone Co.	24	25	25	80	80	80	4	4	4
Totals: Class C & D	11*	12*	12*	77	86	85	12	12	12
Grand Totals	54*	55*	58*	84	88	88	21,254	20,106	17,170

* Weighted Average; All other averages are Simple Averages.

FIGURE NO. 6-5

ACCESS LINES IN SERVICE AS OF DECEMBER 31, 1983 AND 1984
(N. C. Data Only)



Access Line - A telephone company facility which allows access to and/or from the exchange network. Access line includes the following categories of service: individual line, two-and four-party service, key trunk, rotary line, PBX trunk, centrex trunk, 800 service and outwats (interstate and intrastate), L.D. trunk (toll terminal), foreign exchange, semi-public, public, mobile telephone, and service station (farmer line). The total number of access lines in service at December 31, 1983 were 2,447,116 compared to 2,549,105 access lines at December 31, 1984.

FIGURE NO. 6-6

TELEPHONE RATES
MONTHLY FLAT RATES BY CALLING SCOPE GROUPINGS
FOR ONE-PARTY BUSINESS AND RESIDENTIAL SERVICE
AS OF JANUARY 1, 1985

CALLING SCOPE AND RELATED MONTHLY FLAT RATES*

Class A & B	1-1,000 Bus.	1-1,000 Res.	1,001-1,400 Bus.	1,001-1,400 Res.	1,401-2,000 Bus.	1,401-2,000 Res.	2,001-2,800 Bus.	2,001-2,800 Res.	2,801-4,000 Bus.	2,801-4,000 Res.	4,000-5,600 Bus.	4,000-5,600 Res.	5,601-8,000 Bus.	5,601-8,000 Res.	8,001-11,200 Bus.	8,001-11,200 Res.
Carolina Telephone Company**	$ 15.78	$ 6.56	$ 16.37	$ 6.85	$ 17.00	$ 7.09	$ 17.73	$ 7.38	$ 18.41	$ 7.67	$ 18.89	$ 7.87	$ 19.52	$ 8.16	$ 20.15	$ 8.40
Central Telephone Company	$ 21.32	$ 8.36	$ 21.83	$ 8.57	$ 22.34	$ 8.77	$ 22.84	$ 8.97	$ 23.36	$ 9.18	$ 23.86	$ 9.37	$ 24.38	$ 9.59	$ 24.88	$ 9.79
Citizens Telephone Company													$ 25.11	$ 9.91		
Sandhill Telephone Company					$ 20.40	$ 10.68							$ 30.09	$ 11.48		
Southern Bell Telephone Company																
Class C & D																
Barnardsville Telephone Company	$ 15.30	$ 9.30														
Service Telephone Company									$ 18.10	$ 7.35						

Class A & B	11,201-16,000 Bus.	11,201-16,000 Res.	16,001-22,400 Bus.	16,001-22,400 Res.	22,401-32,000 Bus.	22,401-32,000 Res.	32,001-44,800 Bus.	32,001-44,800 Res.	44,801-64,000 Bus.	44,801-64,000 Res.	64,001-89,600 Bus.	64,001-89,600 Res.	89,601-up Bus.	89,601-up Res.
Carolina Telephone Company	$ 20.79	$ 8.64	$ 21.42	$ 8.94	$ 22.05	$ 9.18	$ 22.68	$ 9.47	$ 23.31	$ 9.71	$ 23.94	$ 10.00	$ 24.67	$ 10.30
Central Telephone Company	$ 25.40	$ 9.99	$ 25.90	$ 10.20	$ 26.42	$ 10.40	$ 26.92	$ 10.61	$ 27.43	$ 10.81	$ 27.94	$ 11.01	$ 28.45	$ 11.22
General Telephone of the Southeast														
Heins Telephone Company	$ 15.49	$ 6.17												
Lexington Telephone Company					$ 20.06	$ 8.01								
Mebane Home Telephone Company	$ 22.34	$ 8.89												
Randolph Telephone Company													$ 21.27	$ 8.45
Sandhill Telephone Company***			$ 10.77	$ 5.72	$ 14.50	$ 6.74								
Southern Bell Telephone Company	$ 30.83	$ 11.76	$ 31.63	$ 12.06	$ 32.32	$ 12.34	$ 34.05	$13.02			$ 34.85	$ 13.37	$ 37.85	$ 14.30
Class C & D														
Continental Tel. Co. of Virginia													$ 22.34	$ 12.38

* "Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks within the ranges indicated.

** These rates are effective October 1985.

*** Sandhill Company rates are grouped (0-20,000) and (20,001-up).

FIGURE NO. 6-7

LOCAL SERVICE TELEPHONE MONTHLY RATES
SELECTED EXCHANGES SERVING CITIES OF 50,000 POPULATION OR MORE
IN EFFECT DECEMBER 31, 1983

Company	Exchange or City	State	Monthly Flat Rates 1-Party Service Business	Residence
Bell Telephone Co. of Nevada	Reno	Nevada	$27.35	$9.20
Chesapeake & Potomac Tel. Co. of Virginia	Newport News	Virginia	23.22	9.08
General Tel. Co. of California	Oceanside	California	16.80	7.40
General Tel. Co. of Indiana	Fort Wayne	Indiana	47.85	16.82
South Central Bell Tel. Co.	Louisville	Kentucky	47.73	16.53
General Tel. Co. of Southeast	Durham	North Carolina	30.80	12.35
Lincoln Tel. & Tel. Co.	Lincoln	Nebraska	33.00	9.35
United Tel. Co. of Ohio	Warren	Ohio	41.65	18.30
Pacific Northwest Bell Tel. Co.	Salem	Oregon	36.10	13.05
New England Tel. & Tel. Co.	Manchester	New Hampshire	36.87	12.82
New York Tel. Co.	Rome	New York	30.74	10.02
North State Tel. Co.	High Point	North Carolina	9.50	4.50
Northwestern Bell Tel. Co.	Cedar Rapids	Iowa	27.55	10.60
General Tel. Co. of Northwest	Everett	Washington	32.88	11.92
Pacific Tel. & Tel. Co., Inc. —	Ventura	California	16.80	7.40
South Central Bell Tel. Co.	Tuscaloosa	Alabama	36.20	13.70
Southern Bell Tel. & Tel. Co.	Asheville	North Carolina	30.41	11.67
Southern Bell Tel. & Tel. Co.	Charlotte	North Carolina	33.03	12.48
Southern Bell Tel. & Tel. Co.	Greensboro	North Carolina	32.02	12.18
Southern Bell Tel. & Tel. Co.	Raleigh	North Carolina	33.03	12.48
Southwestern Bell Tel. Co.	Odessa	Texas	20.55	8.80
Southern New England Tel. Co.	New Britain	Connecticut	30.47	10.94
Illinois Bell Tel. Co.	Champaign	Illinois	21.71	8.09
Southwestern Bell Tel. Co.	Topeka	Kansas	19.25	9.35

Source: NARUC Booklet "Exchange Service Telephone Rates", December 31, 1983

FIGURE NO. 6-8

NORTH CAROLINA INTRASTATE TELEPHONE TOLL RATES IN EFFECT JANUARY 1, 1985*

RATE MILEAGE	DAY	
	INITIAL 1 MINUTE	EACH ADDITIONAL MINUTE
0-10	$ .17	$ .11
11-16	.21	.14
17-22	.24	.17
23-30	.28	.19
31-40	.41	.25
41-55	.46	.28
56-70	.47	.31
71-124	.50	.34
125-196	.52	.36
197-292	.55	.38

Additional Charges

The following charges are in addition to the Basic Rate Table above when the call is placed using the following operator services:

	Charge Per Call
a. STATION	
(a) Customer Dialed Credit Card	$ .50
(b) All other	1.25
b. PERSON	
(a) All calls	$2.50

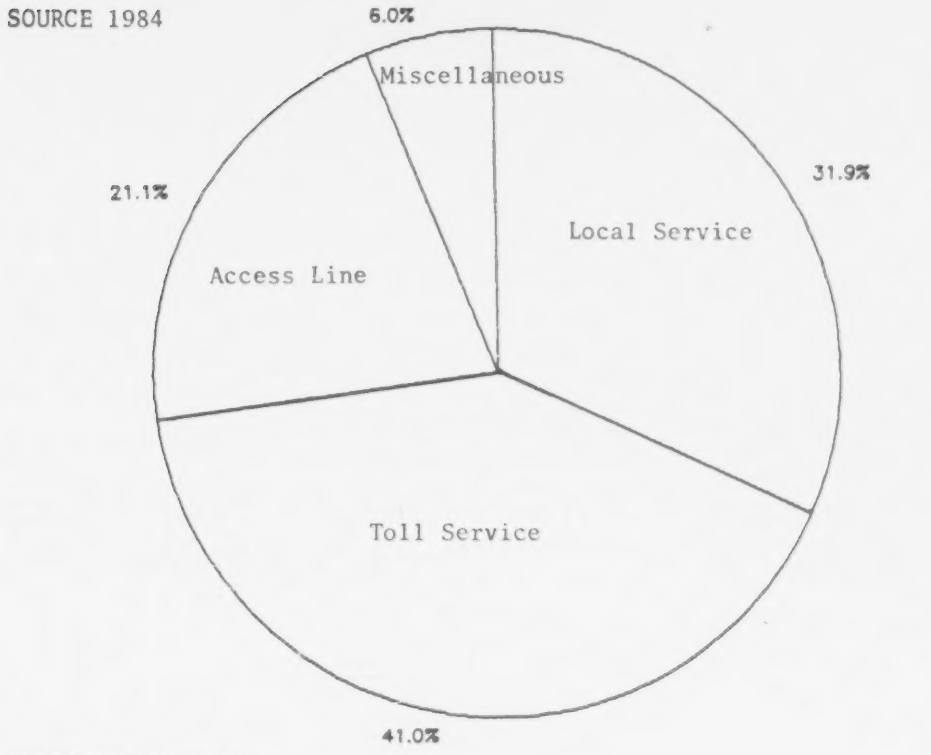
Rate Discounts and Application Periods

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM to 12:00 Noon	Day Rate Period FULL RATE						
12:00 Noon to 1:00 PM	Daytime Savings Rate Period 25% Discount						
1:00 PM to 5:00 PM	Day Rate Period FULL RATE						
5:00 PM to 11:00 PM	Evening Rate Period 25% Discount						Eve 25%
11:00 PM to 8:00 AM	Night & Weekend Rate Period 50% Discount						

DISCOUNTS
Discounts apply equally to total charges for all messages with total fractional amounts rounded down to the lower cent. Discounts do not apply to add on charges for Customer Dialed Credit Card, Other Operator Station or Person Charges.

*These rates are in effect for Southern Bell Tel. & Tel. Company in North Carolina.

FIGURE NO. 6-9
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES
NORTH CAROLINA OPERATIONS ONLY



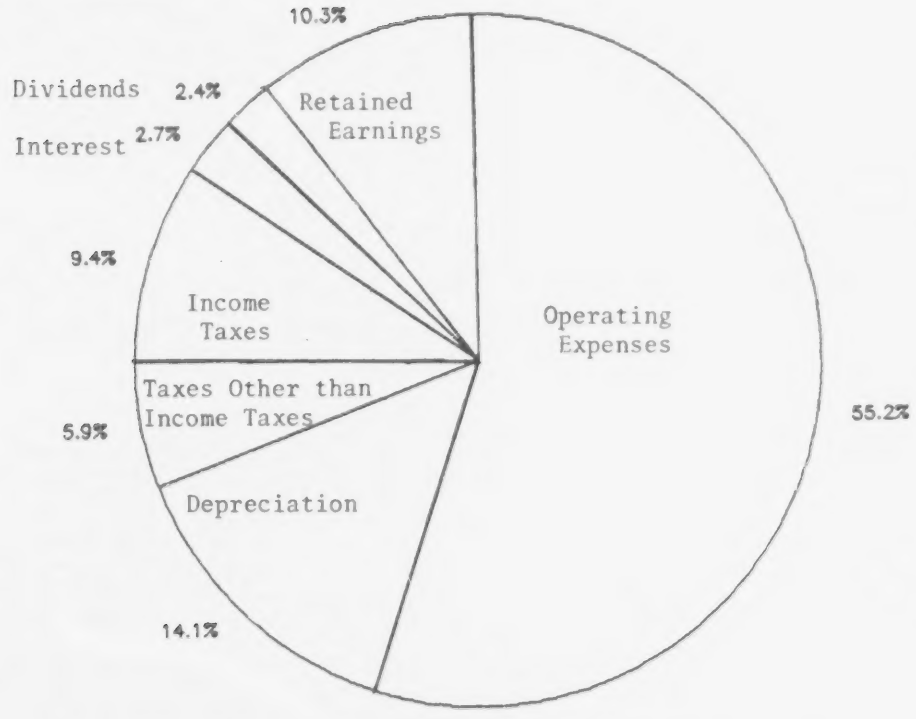
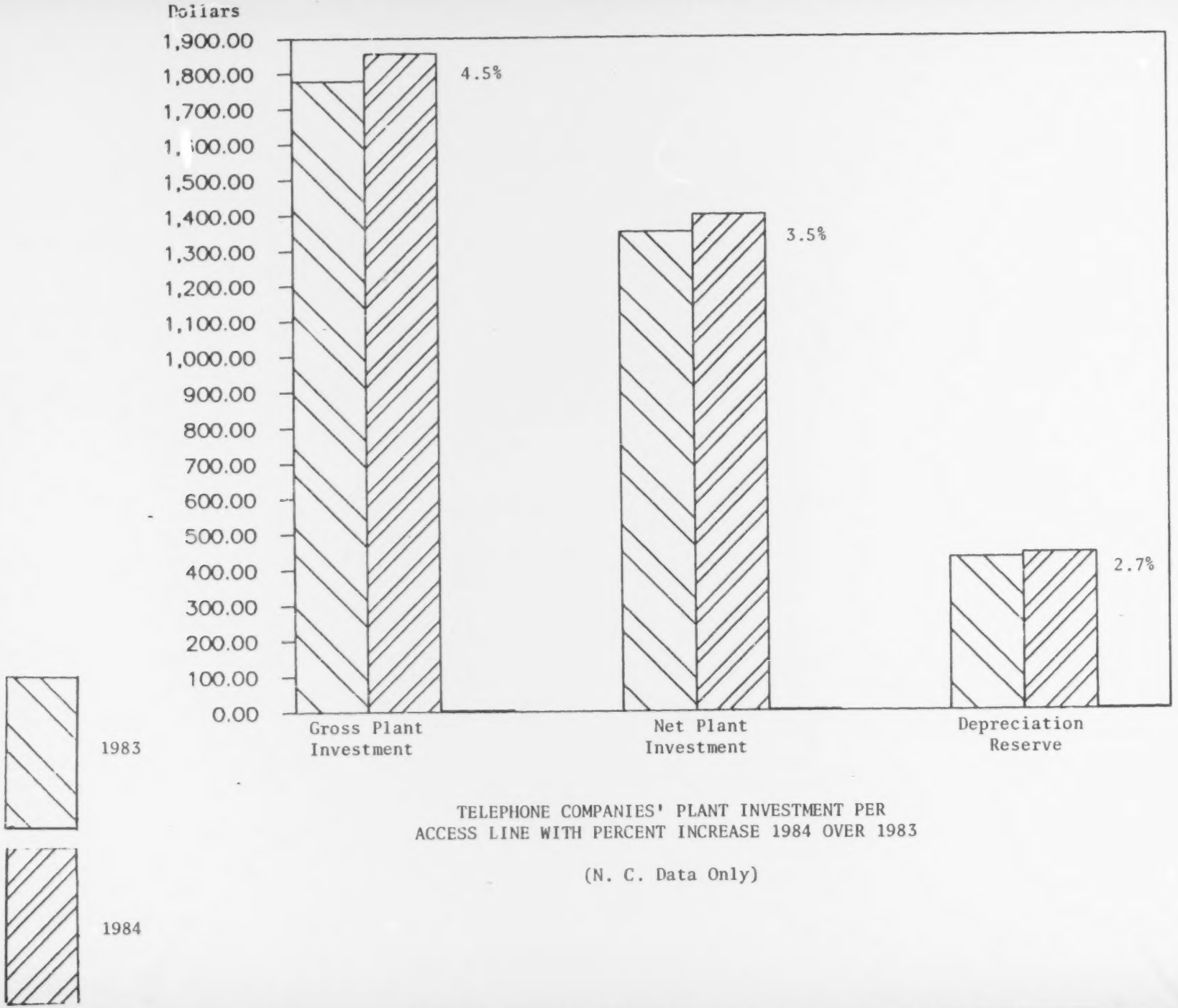


FIGURE NO. 6-10



TELEPHONE COMPANIES' PLANT INVESTMENT PER
ACCESS LINE WITH PERCENT INCREASE 1984 OVER 1983

(N. C. Data Only)

FIGURE NO. 6-11

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1980, and 1981

	1960 Per Phone		1965 Per Phone		1970 Per Phone		1975 Per Phone		1980 Per Phone		1981 Per Phone		1980 ($000s) Total Plant		1981 ($000s) Total Plant		1981 vs 1980 % Change Per Phone	
Class A & B	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Carolina Tel. & Tel. Co.[1,4]	$ 513.52	$ 396.01	$ 556.81	$ 413.31	$ 680.30	$ 525.46	$ 820.89	$ 625.35	$ 971.34	$ 707.28	$ 1,080.72	$ 771.60	$ 924,468	$ 673,143	$ 983,949	$ 702,507	6.4	4.4
Central Telephone Co.[2]	316.53	260.39	390.58	327.98	522.00	435.31	762.60	637.96	887.27	715.66	957.67	739.27	214,335	172,879	222,548	171,793	3.8	6
Citizens Telephone Co	329.67	266.91	571.56	504.86	776.13	635.82	892.07	655.20	1,085.12	743.15	1,164.10	809.22	17,327	11,866	19,243	13,376	11.1	12.7
Concord Telephone Co	257.23	202.84	334.96	255.36	423.13	308.78	545.97	395.38	616.70	409.80	614.99	395.78	57,810	38,415	59,889	38,541	3.6	3
Ellerbe Telephone Co	255.54	172.57	298.47	175.20	692.04	558.44	734.83	536.56	1,025.22	749.35	933.09	679.44	2,053	1,501	2,074	1,419	1.0	(5.5)
General Tel. Co. of the Southeast[3]	267.08	203.13	373.86	291.40	739.30	624.61	852.47	691.42	1,018.63	797.88	1,056.80	808.98	164,926	129,184	177,320	135,482	7.5	4.9
Heins Telephone Co	288.50	234.78	493.96	423.84	481.92	372.04	732.37	571.79	787.01	545.17	813.35	549.54	23,679	16,403	25,428	17,180	7.4	4.7
Lexington Telephone Co	296.62	219.02	364.05	255.03	533.50	406.36	629.94	465.22	722.19	507.36	735.99	504.07	20,817	14,625	21,987	15,058	5.6	3.0
Mebane Home Telephone Co	312.66	249.08	512.68	404.24	693.07	510.94	840.11	601.54	980.33	657.50	931.09	593.95	6,742	4,522	6,403	4,084	(5.0)	(9.7)
Mid-Carolina Telephone Co.[4]	408.29	336.02	498.84	387.07	620.06	495.66	680.98	515.00	793.61	602.88	822.70	642.94	86,303	65,561	93,590	73,138	8.4	11.6
North State Telephone Co	246.17	174.57	320.64	224.04	394.86	272.55	470.66	317.94	567.03	390.08	594.47	384.40	62,906	40,946	68,217	44,110	8.4	7.7
Pineville Telephone Co.[5]	—	—	—	—	—	—	—	—	715.93	532.33	795.29	579.00	1,558	1,159	1,738	1,265	11.6	9.1
Randolph Telephone Co	381.87	339.66	694.71	590.75	824.89	654.17	796.77	562.67	869.53	576.66	890.31	567.88	3,281	2,176	3,379	2,155	3.0	(1.0)
Sandhill Telephone Co	307.32	227.47	445.62	323.25	586.88	400.88	622.20	367.70	702.82	424.65	962.36	669.20	3,672	2,219	5,178	3,600	41.0	62.0
Southern Bell Tel. & Tel. Co.[6]	364.67	294.08	419.57	330.63	507.07	396.48	688.37	427.29	879.25	726.89	923.75	763.52	1,972,759	1,630,868	2,111,017	1,744,761	7.0	7.0
Westco Telephone Co.[8]	N/A	N/A	688.60	596.70	828.30	731.61	991.65	843.52	1,220.66	951.30	1,262.60	968.30	41,526	32,362	43,432	33,308	4.6	2.9
Western Carolina Tel. Co.[7,8]	451.24	360.17	542.67	411.53	831.06	728.96	1,047.94	926.71	1,212.69	966.66	1,301.59	1,110.84	69,824	55,658	75,194	64,174	7.7	15.3
Totals Class A & B	$ 375.91	$ 298.32	$ 442.36	$ 343.77	$ 561.60	$ 441.48	$ 722.32	$ 576.20	$ 896.34	$ 705.92	$ 953.56	$ 745.70	$ 3,673,986	$ 2,893,487	$ 3,920,586	$ 3,065,951	6.7	6.0
Class C & D																		
Barnardsville Telephone Co	$ 236.55	$ 191.39	$ 197.81	$ 139.07	$ 266.02	$ 167.45	$ 322.13	$ 226.67	$ 1,016.36	$ 925.34	$ 1,006.27	$ 896.24	$ 890	$ 811	$ 916	$ 816	2.9	6
Continental Tel. Co. of Virginia	328.02	200.29	1,353.02	1,157.81	870.64	724.34	946.89	764.08	1,071.37	881.60	1,098.63	871.77	484	398	510	405	5.4	1.8
Saluda Mountain Tel. Co	N/A	N/A	79.42	29.31	284.57	199.14	401.96	302.68	413.17	274.38	437.64	278.61	546	362	597	380	9.3	5.0
Service Telephone Co	342.67	302.13	317.18	231.85	417.71	301.35	955.67	811.33	724.21	536.56	709.93	525.23	1,058	784	1,060	785	2	1
Totals Class C & D	$ 217.72	$ 183.74	$ 265.67	$ 190.43	$ 393.83	$ 287.65	$ 639.90	$ 515.73	$ 724.76	$ 573.18	$ 728.59	$ 563.60	$ 2,978	$ 2,355	$ 3,083	$ 2,386	3.6	1.3
Grand Totals	$ 375.77	$ 298.22	$ 442.23	$ 343.65	$ 561.47	$ 441.36	$ 722.25	$ 576.15	$ 896.17	$ 705.79	$ 953.33	$ 745.51	$ 3,676,964	$ 2,895,842	$ 3,923,669	$ 3,068,337	6.7	6.0

[1] United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United Telephone Company of the Carolinas, Inc., for the period 1960-1978 are included in Carolina Telephone and Telegraph Company.

[2] Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1975 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3] General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4] Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968, and Denton Telephone Company merged with North Carolina Telephone Company in 1970. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company for years prior to 1974. Mid-Carolina Telephone Company, North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina Telephone Company.

[5] Pineville Telephone Company came under Commission jurisdiction January 1, 1976.

[6] Chapel Hill Telephone Company came under Commission jurisdiction January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company April 1, 1977. All figures for Chapel Hill Telephone Company for 1976 and prior years are included in Southern Bell.

[7] Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8] Norfolk & Carolina Tel. & Tel. Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

[8] Westco Telephone Co. and Western Carolina Tel. Co. were merged into Continental Telephone of North Carolina in November 1982.

N/A — Not Available

NOTE: Per phone data for all years shown is based on number of regular telephones (excluding service and private) in service at end of year.

FIGURE NO. 6-12

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS*
For the Years Ended December 31, 1983 and 1984
(Dollars in Thousands)

	1983 Total Plant		1984 Total Plant		1983 Per Access Line		1984 Per Access Line		1984 vs. 1983 % Change per Access Line	
Class A & B	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
ALLTEL Carolina Tel. Co.	$109,861	$76,199	$125,841	$89,420	$ 1,563.66	$ 1,084.54	$ 1,745.56	$ 1,240.36	11.6	11.5
AT&T Communications, Inc.	N/Apl.	N/Apl.	213,234	163,189	N/Apl.	N/Apl.	N/Apl.	N/Apl.	N/Apl.	N/Apl.
Carolina Telephone Co.	1,053,728	725,241	1,096,602	734,124	1,719.35	1,183.36	1,724.65	1,154.58	.3	(2.4)
Central Telephone Co.	244,941	176,105	242,286	179,043	1,551.56	1,115.52	1,489.75	1,100.89	(4.0)	(1.3)
Citizens Telephone Co.	21,807	13,961	23,279	14,706	2,041.85	1,307.21	2,075.70	1,311.28	1.7	.3
Concord Telephone Co.	64,848	37,692	66,700	38,462	1,024.79	595.65	1,037.76	598.42	1.3	.5
Continental Tel. Co. of North Carolina	142,058	109,782	155,309	121,764	2,047.24	1,582.10	2,196.48	1,722.07	7.3	8.8
Ellerbe Telephone Co.	2,243	1,402	2,392	1,462	1,639.62	1,024.85	1,686.80	1,031.03	2.9	.6
General Tel. Co. of Southeast	219,179	163,199	307,306	247,940	2,344.14	1,745.43	2,688.50	2,169.13	14.7	24.3
Heins Telephone Co.	27,569	17,929	29,044	17,859	1,448.64	942.09	1,456.93	895.86	.6	(4.9)
Lexington Telephone Co.	26,425	16,715	27,055	17,712	1,372.66	868.27	1,351.53	884.80	(1.5)	1.9
Mebane Home Telephone Co.	6,592	3,802	6,986	3,905	1,353.32	780.54	1,379.54	771.30	1.9	(1.2)
North State Telephone Co.	77,112	47,036	82,632	47,370	1,110.52	677.38	1,136.87	651.73	2.4	(3.9)
Pineville Telephone Co.	1,856	1,234	1,895	1,274	1,886.18	1,254.07	1,874.38	1,260.14	.6	.5
Randolph Telephone Co.	4,356	2,265	3,835	2,339	1,711.59	889.98	1,448.81	883.64	(15.4)	(.7)
Sandhill Telephone Co.	5,543	4,314	5,592	4,260	1,821.56	1,417.68	1,765.71	1,345.12	(3.1)	(6.0)
Southern Bell Tel. & Tel.	2,339,743	1,902,335	2,340,857	1,873,927	1,878.07	1,526.97	1,815.96	1,453.73	(3.3)	(4.8)
Total: Class A & B	$4,347,861	$3,299,211	$4,730,845	$3,558,756	$ 1,778.85	$ 1,349.81	$ 1,858.11	$ 1,397.75	4.5	3.6
Class C & D										
Barnardsville Telephone Co.	$1,045	$846	$1,118	$875	$ 1,475.99	$ 1,194.92	$ 1,482.76	$ 1,160.48	.5	(2.9)
Continental Tel. Co. of Virginia	664	516	876	666	1,844.44	1,433.33	2,342.25	1,780.75	27.0	24.2
Saluda Mountain Tel. Co.	686	386	751	402	690.84	388.72	720.73	385.80	4.3	(.8)
Service Telephone Co.	1,255	857	1,271	806	1,461.00	997.67	1,447.61	918.00	(.9)	(8.0)
Total: Class C & D	$3,650	$2,605	$4,016	$2,749	$ 1,250.00	$ 892.12	$ 1,317.59	$ 901.90	5.4	1.1
Grand Totals	$4,351,511	$3,301,816	$4,734,861	$3,561,505	$ 1,778.22	$ 1,349.27	$ 1,857.46	$ 1,397.16	4.5	3.5

*Gross plant includes plant under construction and held for future telephone use.

FIGURE NO. 6-13

TELEPHONE COMPANIES--CLASSES A, B, C, AND D
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS

For the Calendar Years 1965, 1970, 1975, 1980, 1983, 1984
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

	1965	1970	1975	1980	1983	1984	% Change More (Less) 1983-1984
Number of Companies Regulated	34	29	26	22	20	21	
Number Included in this Data	32	29	25	22	20	21	
Income Statement:							
Revenues:							
Local Service Revenues	$103,540	$168,708	$314,135	$507,183	$737,469	$665,970	(9.7)
Access Revenues	0	0	0	0	0	440,387	----
Toll Service Revenues	86,630	163,506	326,870	648,251	864,382	854,686	(1.1)
Misc. Revenues less Uncollectibles	7,613	11,046	18,412	43,225	66,604	123,804	85.9
Total Operating Revenues	$197,783	$343,260	$659,417	$1,198,659	$1,668,455	$2,084,847	25.0
Expenses:							
Maintenance	$31,723	$58,878	$125,222	$255,556	$367,707	$339,791	(7.6)
Depreciation	32,057	55,898	107,434	203,084	276,922	295,035	6.5
Traffic	21,268	35,179	53,066	62,355	73,792	74,306	0.7
Commercial			40,847	88,775	121,065	150,043	23.9
General Office Salaries & Expenses			25,746	56,269	87,801	103,263	17.6
Other Expenses	37,299	65,239	44,109	90,941	111,665	484,097	333.5
Total Operating Expenses Before Taxes	$122,347	$215,194	$396,424	$756,980	$1,038,952	$1,446,535	39.2
State Taxes:							
State Unemployment	$	$	$	$	$ 319	$ 932	192.2
State Income	3,377	4,451	8,060	14,397	22,752	23,405	2.9
State Property	5,826	11,776	22,573	31,596	32,233	29,729	(7.8)
State Gross Receipts	9,152	14,968	29,208	51,882	75,793	71,511	(5.6)
Other State Taxes			269	467	183	29,509	----
Total State Taxes	$18,355	$31,195	$60,110	$98,342	$131,280	$155,086	18.1
Federal Taxes:							
Income Taxes	$19,564	$30,529	$12,702	$22,049	$84,362	$104,374	23.7
Investment Tax Credits	1,763	1,093	17,650	31,643	14,873	9,600	(35.5)
Deferred Accelerated Depreciation	(277)	(976)	30,231	38,112	56,252	58,293	3.6
Federal Unemployment					29,511	149	99.5
Other Taxes			10,405	20,344	461	(9,730)	----
Total Federal Taxes	$21,050	$30,646	$70,988	$112,148	$185,459	$162,686	(12.3)
Total State & Federal Taxes	$39,405	$61,841	$131,098	$210,490	$316,739	$317,772	0.3
Total Operating Expenses	$161,752	$277,035	$527,522	$967,470	$1,355,691	$1,764,307	30.1
Net Operating Income	$36,031	$66,225	$131,895	$231,189	$312,764	$320,540	2.5
Other Income or Expense:							
Interest Charged to Construction			$4,958	$4,063	$4,077	7,707	89.0

FIGURE NO. 6-13 CONTINUED

	1965	1970	1975	1980	1983	1984	% Change More (Less) 1983-1984
Other Income			9,260	14,049	25,950	29,913	15.3
Deductions from Income					11,448	12,083	5.5
Total Other Income or Expense			$16,193	$20,092	$18,579	$25,557	37.5
Fixed Charges:							
Interest on Funded Debt			$55,239	$88,110	$97,017	$99,158	2.2
Other Fixed Charges					8,471	12,378	46.1
Total Fixed Charges			$55,239	$88,110	$105,488	$111,536	5.7
Extraordinary & Delayed Items (Net)					($2,694)	$549	----
Net Income	$36,031	$66,225	$92,849	$163,171	$223,161	$235,090	5.3
Balance Sheet:							
Assets:							
Telephone Plant in Service	$690,389	$1,270,005	$2,244,307	$3,566,961	$4,254,631	$4,636,453	9.0
Less Depreciation Reserve	153,896	271,675	466,752	781,122	1,049,695	1,173,356	11.8
Net Telephone Plant in Service	536,493	998,330	1,777,555	2,785,839	3,204,936	3,463,097	8.1
Telephone Plant Under Construction & Held for Public Use			63,021	110,003	96,880	98,408	1.6
Total Net Telephone Plant	$536,493	$998,330	$1,840,576	$2,895,842	$3,301,816	$3,561,505	7.9
Investments & Funds:							
Investments in Affiliated Companies					$84,281	$85,778	1.8
Advances to Affiliated Companies					2,059	3,065	48.9
Other Investments					4,810	11,994	149.4
Miscellaneous Physical Property					7,529	6,439	(14.5)
Total Investments & Funds					$98,679	$107,276	8.7
Current Assets:							
Cash					$4,916	($5,070)	----
Special Cash Deposits					945	510	(46.0)
Working Funds					658	683	3.8
Temporary Cash Investments					27,695	48,620	75.6
Notes Receivable					3,564	369	(89.6)
Due from Customers and Agents					175,419	201,104	14.6
Accounts Receivable from Affiliated Companies					2,411	3,614	49.9
Other Accounts Receivable					17,950	147,543	722.0
Interest & Dividends Receivable					142	405	185.2
Materials & Supplies					32,436	44,619	37.6
Other Current Assets					1,579	21,807	1,281.1
Total Current Assets					$267,715	$464,204	73.4
Prepaid Accounts & Deferred Charges					$50,872	$34,771	(32.6)
Total Assets					$3,719,082	$4,167,256	12.0

FIGURE NO. 6-13 CONTINUED

	1965	1970	1975	1980	1983	1984	% Change More (Less) 1983-1984
Stockholder's Equity & Liabilities:							
Stockholder's Equity:							
Capital Stock					$947,764	$894,334	(5.6)
Premium on Capital Stock					55,222	68,214	23.5
Other Capital					53,697	53,559	(.3)
Unappropriated Retained Earnings					475,037	506,567	6.6
Total Stockholder's Equity					$1,531,720	1,522,674	(.6)
Long-Term Debt:							
Funded Debt (Actually Outstanding)					$1,053,662	$1,083,074	2.8
Other Long-Term Debt					85,870	100,835	17.4
Total Long-Term Debt					$1,139,532	$1,183,909	3.9
Current & Accrued Liabilities:							
Accounts Payable to Affiliated Companies					$34,401	$28,819	(16.2)
Other Accounts Payable					119,496	239,316	100.3
Customer Deposits					16,446	18,584	13.0
Advance Billing & Payments					28,878	30,830	6.8
Taxes Accrued					50,829	93,409	83.8
Unmatured Interests, Dividends, & Rents Accrued					61,197	59,072	(3.5)
Total Current & Accrued Liabilities					25,677	35,469	38.1
					$336,924	$505,499	50.0
Deferred Credits & Operating Reserves					$710,906	$955,174	34.4
Total Stockholder's Equity & Liabilities					$3,719,092	$4,167,256	12.0
Statistics (N.C. Only):							
Telephones in Service--Year End*							
Residential Phones	1,154,426	1,677,502	2,406,878	3,104,066	1,948,798	1,997,567	2.5
Business Phones	255,532	341,009	450,880	578,045	408,161	425,191	4.2
Coin Operated, PBX Units, & Special Services Phone	178,416	272,202	378,041	457,612	90,157	126,347	40.1
Grand Total of all Telephones in Service	1,589,374	2,290,713	3,235,799	4,139,723	2,447,116	2,549,105	4.2
Average Number of Calls per Telephone: (Class A & B Only)							
Local	2,131	2,101	1,978	1,710	1,878	2,680	42.7
Toll	63	85	113	198	227	323	42.3
Total Average Number of Employees	12,324	17,791	19,461	21,678	20,106	17,170	(14.6)
Total Wages & Benefits Paid Employees (000s)	$68,423	$121,531	$221,163	$404,832	$506,186	$458,157	(9.5)
Average Annual Wages & Benefits Paid Employees (Actual Dollars)	$5,552	$6,831	$11,364	$18,675	$25,175	$26,683	6.0

*For the years 1983 and 1984 the total number of access lines are used instead of the total number of telephones in service.
An estimate was used to break down the access lines into business lines, coin operated lines, PBX units, and special services lines.

VII. Water And Sewer Companies

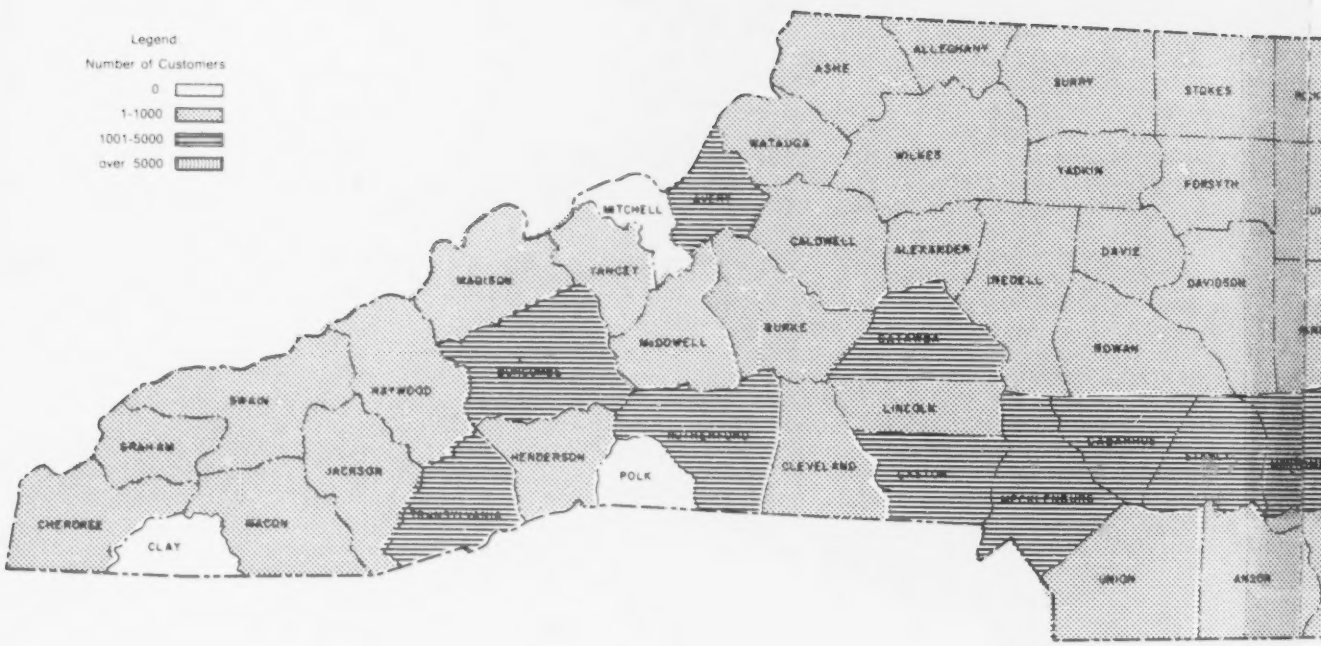


FIGURE NO. 7-1

Distribution of Customers
Served by
REGULATED WATER & SEWER UTILITIES

As of December 31, 1984

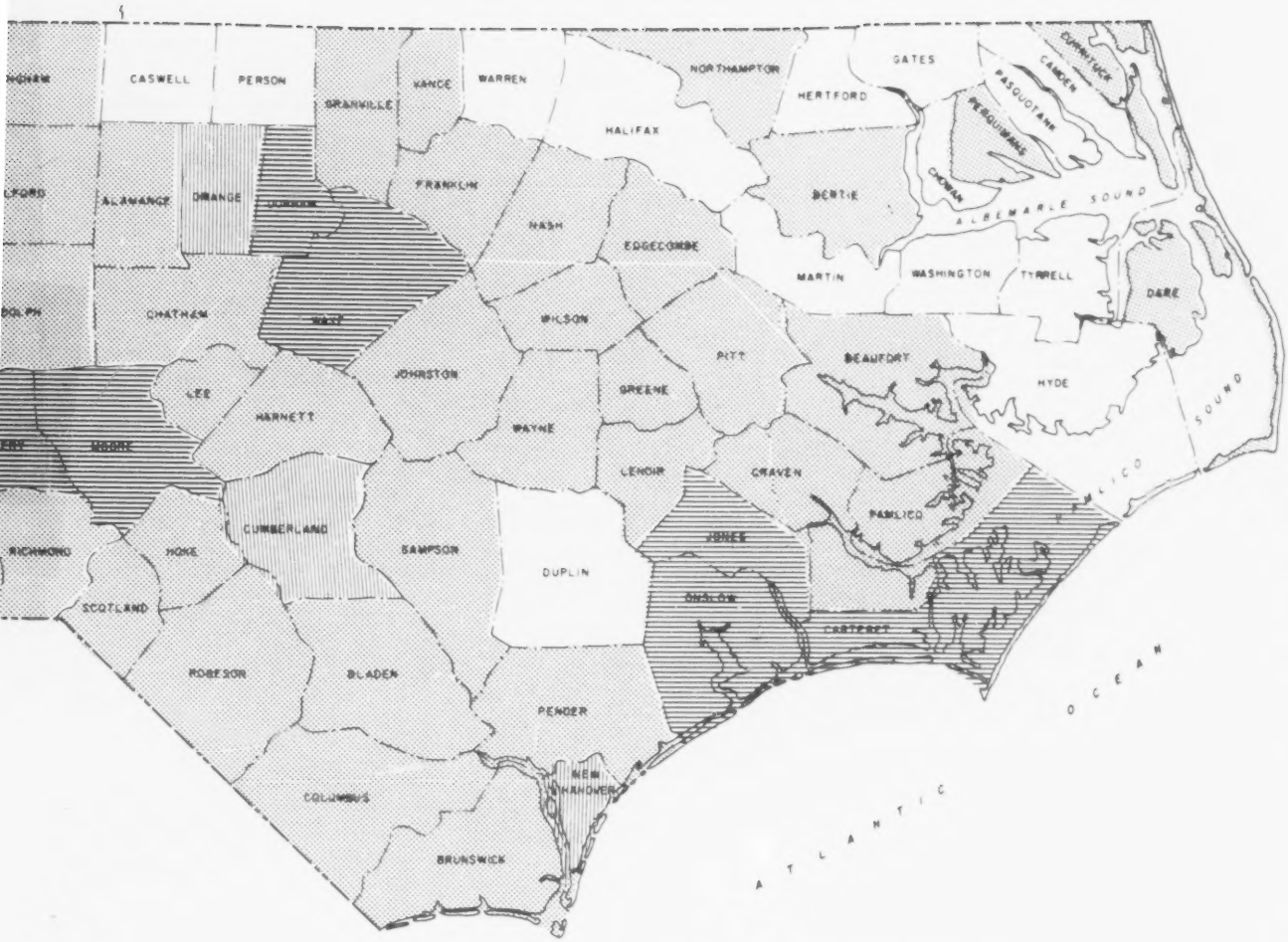

CASWELL
PERSON
GRANVILLE
VANCE
WARREN
NORTHAMPTON
GATES
CURRITUCK
CAMDEN
HERTFORD
HALIFAX
PASQUOTANK
PERQUIMANS
CHOWAN
ALAMANCE
ORANGE
FRANKLIN
NASH
EDGECOMBE
BERTIE
ALBEMARLE SOUND
MARTIN
WASHINGTON
TYRRELL
DARE
CHATHAM
WILSON
PITT
BEAUFORT
HYDE
LEE
JOHNSTON
GREENE
HARNETT
WAYNE
LENOIR
CRAVEN
PAMLICO
SOUND
MOORE
RICHMOND
MOKE
CUMBERLAND
SAMPSON
DUPLIN
ONSLOW
CARTERET
SCOTLAND
ROBESON
BLADEN
PENDER
NEW HANOVER
COLUMBUS
BRUNSWICK
ATLANTIC
OCEAN

FIGURE NO. 7-2

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES
for December 31, 1984

County	No. of Customers	No. of Systems	County	No. of Customers	No. of Systems
Alamance	188	5	Lee	938	3
Alexander	615	19	Lenoir	1,095	5
Alleghany	143	1	Lincoln	184	3
Anson	62	1			
Ashe	264	3	Macon	207	3
Avery	2,507	6	Madison	333	1
			Martin	0	0
Beaufort	159	3	McDowell	0	0
Bertie	29	2	Mecklenburg	3,946	52
Bladen	0	0	Mitchell	0	0
Brunswick	1,108	4	Montgomery	200	3
Buncombe	1,524	12	Moore	5,162	11
Burke	175	7			
			Nash	40	2
Cabarrus	2,805	47	New Hanover	8,743	57
Caldwell	391	9	Northampton	23	1
Camden	0	0			
Carteret	2,323	11	Onslow	4,040	38
Caswell	28	2	Orange	374	8
Catawba	3,505	96			
Chatham	349	6	Pamlico	0	0
Cherokee	246	3	Pasquotank	0	0
Chowan	0	0	Pender	0	1
Clay	0	0	Perquimans	843	2
Cleveland	471	9	Person	0	0
Columbus	95	3	Pitt	649	4
Craven	1,612	6	Polk	20	1
Cumberland	19,617	54			
Currituck	0	0	Randolph	793	14
			Richmond	11	1
Dare	166	1	Robeson	0	0
Davidson	63	1	Rockingham	271	9
Davie	246	3	Rowan	1,114	29
Duplin	0	0	Rutherford	4,973	8
Durham	885	11			
			Sampson	50	1
Edgecombe	122	2	Scotland	999	8
			Stanly	169	7
Forsyth	1,261	13	Stokes	358	4
Franklin	3,029	2	Surry	879	38
			Swain	11	1
Gaston	4,635	126			
Gates	0	0	Transylvania	5,226	6
Graham	12	1	Tyrrell	0	0
Granville	48	2			
Greene	39	1	Union	1,096	7
Guilford	182	5			
			Vance	33	1
Halifax	0	0			
Harnett	734	10	Wake	7,467	110
Haywood	153	3	Warren	0	0
Henderson	420	10	Washington	0	0
Hertford	0	0	Watauga	1,011	9
Hoke	117	2	Wayne	1,157	8
Hyde	24	1	Wilkes	19	1
			Wilson	405	11
Iredell	1,025	26			
			Yadkin	18	1
Jackson	2,099	5	Yancey	23	1
Johnston	184	8			
Jones	0	0	Total	106,540	1,012

A. GENERAL COMMENTS

As of December 31, 1984, there were 1,012 regulated water and sewer systems in North Carolina owned by 378 companies. These are comprised of 917 water and 95 sewer systems. This shows an increase of 5.7% in total systems from the previous year. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water and sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to fewer than ten residential customers. Specifically exempt from regulation under the statutes are municipalities, sanitary districts, and anyone who furnishes water or sewer service to himself, his tenants, or his employees. The statutes also exempt certain consumer-owned corporations.

Figure Nos. 7-1 and 7-2 show a map and, in chart form, the locations of the water and sewer systems by counties with the number of systems and customers in each county.

In 1984 approximately 89% of the regulated companies received less than $50,000 in annual revenues, and only five companies received more than $500,000. In 1983 approximately 88% of the companies received less than $50,000 in annual revenues, and seven companies received more than $500,000. Approximately 71% of the water and sewer companies served fewer than 100 customers in 1984 compared to 68% of the companies in 1983.

One of the major problems encountered in regulating small water and sewer utilities is the lack of keeping adequate records. Many small utility owners quite possibly subsidize operations for several years because their records, which are required for filing and justifying rate increases, are inadequate. As a result, of the 378 companies franchised to operate in 1984, current statistical operating data is only included for 290 companies. This data is found in Figure No. 7-3. For the other 88 companies, the most recent statistical data received by the Commission is presented in Figure No. 7-4. This noncurrent statistical data is included to illustrate the total scope of the regulated water and sewer industry in North Carolina.

The Commission has adopted a simplified (2-page) annual report which should encourage Class D utilities to maintain minimum records of their expenses. This should enable small companies to keep accurate records and provide them with the required information needed for general rate cases.

There has been a trend for larger utilities to absorb smaller ones. This enables the customers to obtain the benefit of a large customer base, more expertise in utility operations, and better response to service problems. In addition larger utilities are more capable of obtaining financing for capital improvements which has proven to be a serious problem for smaller operations.

In 1984 approximately 55% of the customers of regulated water companies in North Carolina received metered service, and approximately 49% of the customers were furnished water treated in some manner, usually by chlorination. In some systems water is treated with phosphates to control excess iron, and a few systems have filters for iron removal. Approximately 12% of the customers are served by water systems having fire protection capability. A few of the companies purchase water from municipalities for resale to their customers, but most of the companies supply water by means of deep wells.

B. COMMISSION ACTIVITIES

During 1984 applications for general rate increases were filed by 33 water and/or sewer companies. Forty-one water and sewer companies filed for general rate increases in 1983. These requests for additional revenues totaled $1,433,584 in 1983 and $1,202,795 in 1984.

Applications for new franchises totaled 44 in 1984, up 13 cases from

1983. There were 34 miscellaneous proceedings such as formal complaints, stock transfers, mergers, show cause proceedings, and trusteeship--emergency operator proceedings. There were 27 of these type proceedings in 1983.

C. REGULATED VS. NONREGULATED MONTHLY CHARGES

Comparative monthly charges for residential water service between selected nonregulated municipal systems and regulated water systems in North Carolina are shown in Figure No. 7-8. This also shows the same comparable component for residential sewer service in North Carolina for the same period.

The Outside City Limits charges for municipal systems vary from 1 to 2 1/2 times the Inside City Limit rates.

D. STATISTICAL SUMMARY

The number of regulated utility companies furnishing water and sewer service in North Carolina at the end of 1984 was 378. These companies operated 917 water systems and 95 sewer systems within the State. They served 106,540 water and sewer customers and received $14,400,261 in annual revenues. See Figure No. 7-7 for a graphic presentation.

Of the 378 water and sewer companies regulated as of December 31, 1984, seven water companies and seven water/sewer companies had records in sufficient detail to provide some comparative data to be developed for this report. The individual financial and statistical data for these 14 companies for the year 1984 is shown in Figure Nos. 7-5 and 7-6.

Caution should be used in applying the results of the data shown for these 14 companies to any specific situation. The data is taken directly from the annual reports without any adjustments. Experience has shown that the Commission usually makes substantial adjustments to the data filed by water and water/sewer companies for rate-making purposes. The adjustments are most frequently made to the plant accounts and the related depreciation expenses claimed against the plant investment. Most of the adjustments are downward to reflect the elimination of plant contributed or plant investment recovered by the developers or owners through the sales price of the lots in subdivisions. Often there are downward adjustments in both the plant account and in operation expenses due to the system's having unreasonably large unused customer capacity during the early stage of development. In view of these limitations the average water usage and revenues per customer have the most valuable use for comparative or planning purposes.

FIGURE NO. 7-3

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
For the Year Ended December 31, 1984

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Acqua, Inc.	W-270	$9,255		100		1	
Allen Hills Water Co., Inc.	W-50	5,527		48		1	
Anderson Creek Homes Water System	W-724	7,875		125		1	
Anderson Creek Water Co.	W-336	2,253		67		1	
Anderson, Wayne	W-566	2,016		30		1	
Associated Realty & Investment, Inc.	W-384	5,077		78		1	
Associated Utilities, Inc.	W-303	58,096	$56,753	560	458	3	3
Baker Water Services, Inc.	W-756	1,831		11		1	
Bald Head Island Utilities, Inc.	W-798	4,544	13,239	66	127	1	1
Bald Mountain Development Corp.	W-410	28,637		333		1	
Barrier Grain Co.	W-688	2,895		17		1	
Beechwood Cove Utilities	W-753	5,965		53		2	
Belmont Water Co., Inc.	W-393	3,518		33		1	
Bermuda Run Country Club, Inc.	W-707		43,264		206		1
Bethlehem Utilities, Inc.	W-259	37,456		284		4	
Big, Inc.	W-486	10,833		75		2	
Billingsley, W. D. & John T.	W-632	2,808		32		1	
Birchwood Farms, Inc.	W-656	9,028		64		1	
Bolick, Albert L.	W-430	1,264		18		1	
Bradshaw Water Co.	W-103	5,005		52		1	
Brandywine Bay Utility Co.	W-693	9,467	6,635	112	85	1	1
Brick Landing Utility Corp. *	W-817	N/APL.		N/APL.		N/APL.	
Brightwater Water Dept.	W-151	8,714		100		1	
Brindle Well Drilling	W-228	5,780		77		2	
Brookside Water Co.	W-330	2,554		29		1	
Brookwood Water Corp.	W-177	450,796		4,237		11	
Browning Enterprises, Inc.	W-569	7,138		55		1	
C & L Utilities, Inc.	W-535	22,521		224		2	
C. N.& H. Corp.	W-685	5,269		74		1	
CAC Utilities, Inc. *	W-812		0		0		2
Cape Fear Utilities, Inc.	W-297	322,698	133,333	2,196	675	26	9
Cape Fear Water Co.	W-232	48,613		641		4	
Cardinal Estates Water Co.	W-710	488		6		1	
Carolina - Blythe Utility Co.	W-503	74,980	106,781	418	418	1	1
Carolina Pines Construction Co.	W-341	6,683		81		1	
Carolina Water Service of N.C.	W-354	1,380,441	550,472	6,419	2,664	41	12
Castor Court Water Co., Inc.	W-423	2,105		16		1	
Cleveland Water Systems	W-301	14,194		155		1	
Cliffdale Water Co.	W-203	19,968		190		1	
Cline, H.C. Building & Supply Co.	W-418	2,603		45		1	
Community Water Works, Inc.	W-316	16,002		77		2	
Consolidated Utilities, Inc.	W-332	6,560		56		1	
Coral Park Community Well	W-717	1,296		12		1	
Corriher Water Service, Inc.	W-233	105,771		1,070		20	

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
For the Year Ended December 31, 1984

	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Crater Water System	W-185	$2,096		43		1	
Crestview Water Co.	W-195	40,117		352		1	
Crestview Water Systems, Inc.	W-325	3,016		57		1	
Cross-State Development Co.	W-408	7,516		138		1	
Cumberland Water Co., Inc.	W-169	278,401	$37,172	4,468	189	3	1
Davis, Roy A. & Virginia B.	W-631	3,151		32		1	
Dream Weaver Utilities, Inc.	W-786	14,233		168		8	
Duchess Forest Water Supply	W-324	1,934		34		1	
Duke Power Co.	W-094	1,739,592		3,924		1	1
Duncan Water Co.	W-483	1,056		14		1	
Eagle Heights Utilities, Inc. *	W-826	1,058		N/APL.		1	
Economy Finance Co. of Concord	W-528	2,728		11		1	
Edwards Water System	W-134	4,317		40		1	
Elk River Development Corp.	W-803	40,494	20,677	326	133	1	1
Eno Industrial Sewer Facility	W-763	10,311	8,117	N/A	4	N/A	1
Evans, Leroy	W-594	600		17		1	
F & H Water Co.	W-545	3,350		38		1	
Fairbrook Utility Co.	W-674	1,080		18		1	
Fairway Acres Water System	W-260	5,521		59		1	
Fairways Utilities, Inc. *	W-787	0	0	0	0	1	1
Failing Creek Water Co.	W-590	26,805		346		1	
Falls, Ralph L.	W-268	18,329		353		6	
Farmer, Arthur V.	W-506	1,254		19		1	
Faw, Frances S. Water System	W-087	8,024		130		1	
Fearrington Utilities	W-661	24,749		248		2	
Finger, John R.	W-644	2,913		32		1	
Fisher Utilities, Inc.	W-365	139,081		993		17	
Flanders Filters, Inc.	W-542	1,994		15		1	
Fleetwood Falls, Inc.	W-380	8,051		84		1	
Foreman, J. D.	W-077	2,566		36		1	
Forest Acres Water Co.	W-626	2,266		22		1	
Fox Fire Water System	W-725	202		3		1	
Fox Ridge Owner's Assoc.	W-762	6,888		55		1	
Foxhall Village Utilities	W-777	10,123	15,222	252	252	1	1
Gaither Water Co.	W-621	2,545		47		1	
Gallagher Trails, Inc.	W-603	3,330		32		1	
Gaston Builders, Inc.	W-737	2,148		32		1	
Genoa Water Systems, Inc.	W-321	62,387		760		4	
Glendale Water, Inc.	W-691	162,248		729		15	
Glynnwood Mobile Home Park	W-454	4,441		85		1	
Goose Creek Utility Co.	W-369	39,994	49,870	241	195	2	1
Goss Utility Co.	W-457	41,613		300		5	
Graham, R. E.	W-184	3,554		47		1	

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
For the Year Ended December 31, 1984

	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Grandfather Golf & Country Club	W-755	$25,244	$25,244	165	158	2	2
Grandview Water Co., Inc.	W-183	63,943		325		2	
Greenfield Heights Development	W-205	5,242		21		1	
Gresham's Lake Utility Co., Inc.	W-633	32,057	71,946	10	10	1	1
Grove Supply Co., Inc.	W-587	2,013		35		2	
H & H Development Corp.	W-315	5,718	2,236	39	45	1	1
H & M Water Co., Inc.	W-147	10,337		82		1	
Hare, John E.	W-417	2,394		16		1	
Harmony Heights Water Co.	W-481	10,909		94		1	
Harnett Lakes Water Co., Inc.	W-210	7,102		77		1	
Harrco Utility Corp.	W-796		4,213	25	25	1	1
Hart Water Systems, Inc.	W-739	18,947		149		1	
Harward's Realty & Insurance Co.	W-710	3,804		40		1	
Havelock Development Co.	W-223	25,405		180		1	
Hawkins, Paul Co.	W-550	16,348		310		2	
Hayden Vanderburg Enterprises, Inc.	W-761	5,294		24		1	
Hazelwood Water Co.	W-749	10,010		67		1	
Heater Utilities, Inc.	W-274	578,329		2,794		37	
Hefner Builders, Inc.	W-480	942		16		2	
Hendrix - Barnhill Co., Inc.	W-658	3,755		38		1	
Hendrix Development Co., Inc.	W-616	2,535		44		1	
Hensley Enterprises, Inc.	W-089	249,075		1,693		32	
Heritage Water Co., Inc.	W-679	14,591		91		1	
Hickory Hills Service Co., Inc.	W-460	44,956		447		2	
High Hampton, Inc.	W-574	8,511		69		1	
Holbrook, Mrs. M. L.	W-433	2,194		26		1	
Holiday Island Property Owners	W-386	28,567		781		1	
Hollandale Water Co.	W-419	3,194		29		1	
Holt, Edgar Lee	W-606	1,512		21		1	
Home Realty Co. & Insurance Agency, Inc.	W-521	3,044		42		1	
Homestead Community Water	W-452	3,999		38		1	
Honey Hill Water Co.	W-420	2,051		25		1	
Honeycutt, Wayne M. Water Systems, Inc.	W-472	7,530		53		3	
Hoopers Valley Water Co., Inc.	W-794	4,400		50		1	
Hope Brothers Builders, Inc.	W-413	690		11		1	
Huey, Wade	W-614	825		15		1	
Huffman, H. C., Water Systems, Inc.	W-095	59,414		508		11	
Hydraulics, Ltd.	W-218	206,887		1,303		32	
Ideal Mobile Home Park	W-748	3,564		24		1	
J & H Water Co.	W-686	2,375		17		2	
Jackson, Harold L.	W-494	795		15		1	
Jackson Utility Co.	W-448	63,205	42,908	1,459	456	2	1
Jamestown Water Corp.	W-745	10,773		100		1	
Jewell, A. Gordon	W-651	3,607		31		1	

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
For the Year Ended December 31, 1984

	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Joyceton Water Works, Inc.	W-004	$108,572		155		1	
Kannapolis Real Estate Agency, Inc.	W-025	2,200		28		1	
Killian Water System	W-298	1,988		29		1	
Kimberly Court Water System	W-350	2,125		25		1	
Kings Grant Water Co.	W-250	124,677		1,579		1	
Kiser Water System	W-352	3,012		33		1	
LAD, Inc.	W-722	9,429	$12,425	48	48	1	1
LaGrange Waterworks Corp.	W-200	342,729		2,965		11	
Lake Summit Corp.	W-058	11,146		56		1	
Lakeland Village Water Supply	W-394	1,934		36		1	
Lamm, William M.	W-708	1,800		15		1	
Lavan, Cora Jane	W-647	1,916		30		1	
Lewis Water Co., Inc.	W-716	17,571		198		9	
Lewis Water Systems	W-288	16,706		139		1	
Lincoln Water Works, Inc.	W-335	19,122		108		1	
Linville Ridge	W-766	13,265		195		1	
Lone Pine Water Co.	W-451	19,237		55		1	
Looper, Clark Russell	W-501	2,196		17		1	
M. & S. Corp.	W-625	11,979		89		1	
M. D. Square, Inc.	W-338	1,596		23		1	
Mackie, Martha H.	W-785	3,240	2,280	18	17	1	1
Mallard Head Condominiums, Inc. *	W-824	N/APL.		N/APL.		N/APL.	
Mar Mann Ltd.	W-669	5,455		49		1	
Marper, Inc.	W-770	1,008		7		1	
Matlock, T. L., Jr.	W-624	3,725		47		2	
Matthews, B. E. Construction Co., Inc.	W-641	2,545		17		1	
Maxwell Water Co.	W-339	3,735		33		1	
McMahan, Harold D. *	W-791	N/APL.		N/APL.		N/APL.	
McNeil & D. V. Deal	W-596	1,238		19		1	
McRae Construction Co., Inc.	W-466	963		62		1	
McRee, William	W-562	2,160		24		1	
Melmount Water Co.	W-711	1,035		20		1	
Mercer Environmental Corp.	W-198	269,452	133,545	1,562	499	11	3
Mid-South Water Systems, Inc.	W-720	236,105	7,355	2,476	76	71	2
Miller, R. B., Jr.	W-493	2,284		49		1	
Millner Water Systems	W-695	2,442		28		2	
Milstead Community Water System	W-718	1,229		16		1	
Mineral Springs Mountain Water	W-576	8,389		32		1	
Mishue, Dale	W-515	3,439		43		1	
Modern Plumbing Co. of Charlotte	W-551	274		25		1	
Montclair Water Co., Inc.	W-173	322,065	270,832	3,975	2,999	1	1
MOR Group, The	W-462	54,427		661		1	
Morlan Park Water Co.	W-042	2,926		30		1	
Moseley - Nash Water Corp.	W-475	3,301		23		1	

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
For the Year Ended December 31, 1984

	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Moss, C. J. Real Estate, Inc.	W-409	$7,770		65		1	
Moss Hill Water Works Co.	W-459	7,062		50		1	
Moss, James H.	W-760	4,508		41		1	
Mount Vernon Park Water System	W-072	9,353		150		1	
Mountain, The Group	W-752	31,858		171	31	1	1
Mountains Utility Co., Inc.	W-808	N/APL.	N/APL.	344	189	1	1
Mulkey Homesites Water System *	W-818	N/APL.		N/APL.		N/APL.	
Niagara Water Co.	W-059	1,200		20		1	
North Crest Water System, Inc.	W-496	3,712		35		1	
Northeast Craven Utility Co.	W-696	164,211	$91,960	475	475	1	1
Northwood Developers of Orange County	W-690	7,334		80		1	
Norwood Beach Water System	W-498	1,284		59		2	
Oak Ridge Water Systems, Inc. *	W-841	N/APL.		N/APL.		N/APL.	
Oakmont Water Co.	W-533	6,460		42		1	
Oakwoods Water Co.	W-655	9,980		77		1	
Old Farm Water System, Inc.	W-568	4,865		66		1	
Old South Lane Water System, Inc.	W-517	660		11		1	
Overhills Water Co., Inc.	W-175	51,939		458		2	
P & H Water Co., Inc.	W-257	13,230		121		1	
Pate, Z. V., Inc.	W-067	52,912		473		1	
Paysours Water Works, Inc.	W-278	6,854		86		1	
Pelican Trace Utilities, Inc. *	W-833	N/APL.		N/APL.		N/APL.	
Pen Properties, Inc.	W-586	5,917		60		1	
Piedmont Construction & Water Co., Inc.	W-262	383,862		1,985		42	
Pine Valley Water Co., Inc.	W-242	85,581	49,369	570	246	1	1
Pines Utilities, Inc.	W-822		76,080		317		1
Pleasant Gardens Water Dept.	W-702	2,435		15		1	
Poplar Terrace Mobile Home Park	W-755	22		24		1	
Precision Utility Ltd. *	W-832	N/APL.		N/APL.		N/APL.	
Prior Construction Co.	W-567	9,987 -		65		1	
Propst Water Supply	W-291	1,440		24		1	
Quality Water Supplies, Inc.	W-225	195,522		1,421		8	
Raeford Plumbing & Heating Co.	W-372	2,517		23		1	
Ratchford, Brady Jr. Water System	W-444	6,209		48		1	
Ratchford, Lucius L.	W-421	8,955		100		2	
Regalwood Water Co.	W-187	12,224		136		1	
Ridgecrest Baptist Conference Center	W-071	16,143		273		1	
River Hills, Inc.	W-461		6,709		55		1
Riverbend Water Systems, Inc.	W-390	15,036		79		1	
Riverview North Utilities, Inc.	W-758	8,103		69		1	
Riverview Water System	W-723	3,128		27		1	
Rock Barn Water System	W-747	14,352		64		1	

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
For the Year Ended December 31, 1984

	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Rock Creek Environmental Co. *	W-830	N/APL.		N/APL.		N/APL.	
Rockingham Realty Co., Inc.	W-704	$3,484		33		1	
Rolling Springs Water Co., Inc.	W-313	50,657	$4,735	285	64	4	1
Routh & Hennis, Inc.	W-497	8,191		135		1	
Rush, Hurley B.	W-558	2,394		31		1	
S & G Development Corp.	W-800	17,280		120		1	
S & H Corp. of Wake County *	W-806	N/A		0		1	
Sanders Water Co.	W-532	2,755		46		1	
Scientific Water & Sewerage Corp.	W-176	99,252	125,065	565	565	4	4
Scotland Water Co.	W-426	24,418		199		4	
Sehorn Water Supply, Inc.	W-773	3,400		21		1	
Sentry Utilities, Inc.	W-811		N/A		14		1
Setzer Brothers Well Boring, Inc.	W-360	9,068		119		3	
Shade Tree Acres Water System	W-455	770		13		1	
Shamrock Water Corp.	W-432	4,995		63		1	
Sherwood Forest Utility, Inc.	W-706	28,670	950	176	19	1	2
Sherwood Forest Water System	W-646	1,121		12		1	
Silver Maples Mobile Estates	W-776	2,832	3,018	22	28	1	1
Sky View Water System, Inc.	W-293	7,275		68		1	
Skyland Drive Water System	W-642	1,990		20		1	
Smawley, Elon	W-333	2,698		29		1	
South Rowan Investment Corp.	W-807	1,726		19		1	
Spring Hill Water Corp.	W-247	2,199		16		1	
Spring Water Co., Inc.	W-337	33,648		262		3	
Springdale Water Co.	W-406	13,844	4,020	60	36	1	1
Springs Industries, Inc.	W-650	1,419	998	35	32	1	1
SRME Water System	W-733	4,216		51		1	
Stoney Oaks Water System	W-782	578		8		1	
Stony Brook Estates Water Systems	W-295	3,406		28		1	
Suburban Heights Water System	W-394	1,574		21		1	
Sunset Park Utilities, Inc.	W-178	15,343	3,908	234	198	1	1
Superior Well Supply Co., Inc.	W-524	7,365		71		1	
Surry Water Co., Inc.	W-314	141,439		874		25	
T. P. G. Utilities, Inc.	W-675	6,867		49		1	
Tarlton Real Estate Corp.	W-657	3,027		40		4	
Tart's Investment Corp.	W-741	1,357		15		1	
Terres Bend Water System	W-821	N/A		2		1	
TET Utilities, Inc.	W-759	6,599	59,715	179	285	4	2
Touch & Flow Water Systems	W-201	46,204	3,618	287	55	5	
Transylvania Utility Co.	W-378	184,103	109,569	3,096	1,811	1	1
Treasure Cove Water Co.	W-445	14,212		157		1	
Trexler Water System	W-505	6,769		103		1	
Tulbert, Stephen E.		1,584		11		1	
Turner, T. H. Farms, Inc.	W-687	4,822		56		3	

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
For the Year Ended December 31, 1984

	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Umstead Water Co.	W-282	$24,929		37		1	
Valleydale Water Co.	W-272	4,141		46		1	
Vander Water Co.	W-488	14,620		143		2	
Veterans Drive Community Water	W-118	1,930		30		1	
Viking Utilities Corp., Inc.	W-740		$0		12		1
W & K Enterprises	W-611	1,861		20		2	
W. P. K. S. Utilities, Inc.	W-659		43,726		5		1
Ward, James M.	W-788	830		42		1	
Water, Inc.	W-216	9,917		115		1	
Water Systems Corp.	W-681	3,565		39		1	
Weber Development Co.	W-589	480		8		1	
West Wilson Water Co.	W-781	3,518		43		1	
Western Utilities Corp.	W-229	0		0		2	
Westgate Utilities Co., Inc.	W-239	779		8		1	
Weston, W. A.	W-285	8,056		121		1	
White, Billy	W-600	300		12		1	
White Oak Community Water Systems	W-520	3,030		50		1	
White Oak Plantation, Inc., Water Service	W-825	N/APL.		N/APL.		N/APL.	
Willow Creek Builders, Inc.	W-387		11,000		63		1
Wilson Water Service	W-554	2,833		48		3	
Wilson Water Systems	W-698	14,684		119		1	
Windham Mobile Home Park	W-804	1,800		11		1	
Windsor Lake Water Co.	W-523	5,043		56		1	
Woodhaven Water System	W-805	3,720		32		1	
Woodlake Utilities, Inc.	W-789	4,440	1,658	110	49	1	1
Woods Water Works, Inc.	W-735	2,633		26		4	
Yadkin Water Corp.	W-585	2,662		32		3	
Yost, J. M.	W-514	1,533		10		1	
Zemosa Acres	W-744	11,252		115		2	
Total Number of Water & Sewer Companies Filing 1984 Reports	290	$10,714,056	$2,210,617	76,085	14,288	761	76

N/APL.--Not Applicable
N/A--Not Available
*Brick Landing Utility Corp. was established 5-14-85
CAC Utilities, Inc. was established 10-10-84
Eagle Heights Utilities, Inc. was established 5-13-85
Fairways Utilities, Inc. was established 3-20-84
Mallard Head Condominiums, Inc. was established 1-25-85
McMahan, Harold D. was established 4-12-84
Mulkey Homesites Water System was established 2-7-85
Oak Ridge Water Systems, Inc. was established 8-26-85
Pelican Trace Utilities, Inc. was established 7-16-85
Precision Utility Ltd. was established 11-21-84
Rock Creek Environmental Co. was established 8-1-85
S & H Corp. of Wake County was established 12-20-84
White Oak Plantation, Inc. Water Service was established 2-1-84

FIGURE NO. 7-4

WATER AND SEWER COMPANIES THAT HAD NOT FILED A 1984 ANNUAL REPORT AS OF JANUARY 1, 1986
NONCURRENT DATA IS FROM MOST RECENT REPORT FILED WITH THE COMMISSION

Company	County	Docket Number	Annual Revenues Water	Sewer	Number of Customers Water	Sewer	Number of Systems Water	Sewer
A & B Water Company	Catawba	W-819	N/A		N/A		1	
A-1 Pump and Water Conditioning *	Wake	W-823	N/A		N/A		1	
Alamance Village Utility Corp.	Alamance	W-671	N/A		N/A		1	
All Star Mobile Home Park	Wake	W-628	$920		11		1	
Alternative Waste Treatment System	Mecklenburg	W-839	N/A		N/A		1	
Avalon Water Systems, Inc.	Randolph	W-382	1,367		17		1	
Bailey, Thomas L.	Wake	W-771		$6,000		0		1
Bayview Water Works	Beaufort	W-565	6,917		93		1	
Bellview Water System, Inc.	Cleveland	W-684	299		6		1	
Belvedere Utility Co.	Pender	W-809	N/A	N/A	49	13	1	1
Bess Brothers, Inc.	Gaston	W-331	11,359		186		5	
Bess Cregg, Inc.	Gaston	W-281	17,570		260		6	
Brown, E. S.	Buncombe	W-732	N/A		0		1	
Buffalo Meadows Utility Co.	Ashe	W-312	2,291	2,292	21	21	1	1
Buffaloe Water System	Wake	W-635	2,716		27		1	
Carolina Trace Corp.	Lee	W-436	45,112	47,508	469	412	1	1
Chapel Hills Utility	Watauga	W-310	6,207		83		1	
Chimney Rock Water Works	Watauga	W-102	9,444		76		1	
Clear Meadow Water, Inc.	Mecklenburg	W-715	3,895		40		2	
Clear-Flow Utilities, Inc.	Randolph Forsyth Rockingham Rowan Stokes	W-738	3,869	7,141	389	275	7	4
Coastal Plains Utility Co.	New Hanover	W-215	84,443		607		3	
Collins, Robert Water Supply	Cabarrus	W-519	1,637		28		1	
Colony Park Utilities Co.	Durham	W-208		567		22		1
Colony Water of Morehead City, Inc.	Carteret	W-654	2,450		31		1	
Combs, Robert F.	Iredell	W-328	2,268		39		3	
Conner Homes Corp.	Carteret	W-343	3,132		46		1	
Cook, L. V. Water Supply	Stanly	W-540	5,965		104		2	
Country Hills Water Co.	Union	W-609	1,974		28		1	
Dillard Grading Co.	Jackson	W-340	6,332		85		2	
Dockery's Water Systems	Gaston	W-721	12,151		133		2	
Duan Water Works, Inc.	Catawba	W-346	0		32		1	
East Rutherford Water System, Inc.	Rutherford	W-527	1,830		30		1	
Edgewood Water System	Rowan	W-570	446		23		1	
Environmental Pollution Control	Dare	W-774		43,157	11	166		1
FDB, Inc.	Henderson	W-544	70				1	
Flat Mountain Estates Water System, Inc.	Macon	W-726	2,304		32		1	

FIGURE NO. 7-4 CONTINUED

WATER AND SEWER COMPANIES THAT HAD NOT FILED A 1984 ANNUAL REPORT AS OF JANUARY 1, 1986
NONCURRENT DATA IS FROM MOST RECENT REPORT FILED WITH THE COMMISSION

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Forrest, P. Tony	Alexander	W-318	$1,319		18		1	
Gensinger, John W.	Wake	W-549	2,253		27		1	
Gower Construction Co.	Wake	W-465	1,740		18		1	
H & A Water Services, Inc.	Stanly	W-510	35,790		6		1	
Hasty Water Utilities, Inc.	Wake	W-400	318,721		2,070		34	
Huffman, George W.	Catawba	W-424	1,546		36		1	
Hunter Water Co.	Mecklenburg	W-534	8,310		125		2	
Jackson Hamlet Water Supply	Moore	W-575	6,435		113		1	
Jones, Mrs. J. W.	Gaston	W-422	500		11		1	
Jones, Vernon	Lenior	W-620	2,283		28		1	
Kanuga Park Water System	Henderson	W-580	1,440		20		1	
Kirk, Glen, Inc.	Buncombe	W-838	N/A		N/A		N/A	
Lakeside Estates Water Co.	Wake	W-359	1,032		17		1	
Lake Terrace Water System, Inc.	Cleveland	W-683	0		33		1	
Laurel Woods Water System	Gaston	W-694	6,661		64		1	
Mam Water & Sewer Corp.	Durham	W-772		$7,583		158		1
Mauney, William K. Jr.	Mecklenburg	W-560	1,580		22		1	
McCullers Pines Water System	Wake	W-727	N/A		12		1	
Mullis, Giles E.	Cabarrus	W-547	5,664		118		7	
North Topsail Water & Sewer, Inc.	Carteret	W-754		N/A	180	N/A	N/A	1
Oehler Water Co.	Gaston	W-440	9,106		85		4	
Parris, Steddy Durbin, Jr.	Union	W-563	2,345	1,269	59	59	1	1
Patterson, James D.	Gaston	W-276	1,923		28		1	
Piedmont Carolina Construction, Inc.	Franklin	W-768	1,125		19		1	
Piedmont Estates Water System	Randolph	W-581	8,294		93		1	
Pierce, Heavener & Jenkins Builders, Inc.	Gaston	W-363	16,652		135		2	
Pinehurst, Inc.	Moore	W-006	248,693	254,709	1,964	1,414	1	1
Powder Horne Utilities, Inc.	Watauga	W-478	10,438		156		2	
Proctor Water Works	Gaston	W-663	1,605		17		1	
Quail Hollow Water System, Inc.	Cleveland	W-427	1,552		27		1	
Quail Run Water System	Cleveland	W-662	1,653		37		1	
R. O. E. Water Utility Co.	Buncombe	W-820	N/A		20		1	
Randolph Mills, Inc.	Randolph	W-536	4,437	1,087	85	25	1	1
Riviera Utilities of N. C., Inc.	Franklin	W-665	82,485		3,010		1	
Robin Lake Water System	Wayne	W-370	N/A		217		1	
Rollingwood Water System, Inc.	Cleveland	W-428	8,188		64		1	
Rose Hill Associates Water Co.	Pitt	W-677	0	0	259	259	1	1

FIGURE NO. 7-4 CONTINUED

WATER AND SEWER COMPANIES THAT HAD NOT FILED A 1984 ANNUAL REPORT AS OF JANUARY 1, 1986
NONCURRENT DATA IS FROM MOST RECENT REPORT FILED WITH THE COMMISSION

Company	County	Docket Number	Annual Revenues Water	Sewer	Number of Customers Water	Sewer	Number of Systems Water	Sewer
Ross, Sanford, E. Ross	Haywood	W-618	$905		28		1	
Ruff Water Co.	Gaston	W-435	40,254		488		10	
Sandhill Acres Investment Co., Inc.	Montgomery	W-479	5,972		43		1	
Sandy Pines Corp.	Catawba	W-764	0		0		1	
Shiloh Water Co.	Catawba	W-619	1,140		20		1	
Simco, Inc.	Union	W-356	1,732		35		1	
Smith, R. Wiley	Buncombe	W-425	1,080		18		1	
Spring Valley Water System	Catawba	W-290	1,134		N/A		N/A	
Stewart, Paul A.	Gaston	W-414	4,137		124		1	
Timberlake, William J.	Nash	W-290	N/A		N/A		N/A	
Tobacco Branch Village, Inc.	Graham	W-504	385		12		1	
Utility Systems, Ltd.	Wake	W-463		$9,370		74		1
Waller, Louis C., M. D.	Buncombe	S-001		3,920		49		1
Waverly Mills, Inc.	Scotland	W-734	N/A	N/A	125	119	1	1
Wilson, Mitchell B.	Rockingham	W-602	3,508		59		2	
Total Water & Sewer Companies that did not file a 1984 report		88	$1,090,985	$384,603	13,101	3,066	156	19

* A-1 Pump and Water Conditioning was established 2-28-85

N/A--Not Available

FIGURE NO. 7-5

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1984

Revenues and Expenses:	Brookwood Water Corp.	Duke Power Co.	Heater Utilities	Hydraulics Ltd.	LaGrange Waterworks Corp.	Piedmont Construction & Water Co.	Quality Water Supplies	Total Water Utilities
Total Revenue	$450,796	$1,739,592	$578,328	$193,907[3]	$342,729	$383,862	$195,522	$3,884,736
Operation & Maintenance Expenses	$307,638	$862,820	$413,353	$200,690	$269,919	$338,952	$135,915	$2,529,295
Depreciation & Amortization	$63,770	$274,297	$39,126	$0	$53,717	$44,508	$25,000	$505,426
Federal & State Income Taxes	$21,647	$0	$964	$0	$0	$4,968	$10,454	$38,033
Other Taxes	$42,610	$170,002	$42,982	$6,189	$22,508	$26,997	$12,315	$322,703
Total Operating Expenses	$440,673	$1,307,119	$496,425	$206,887	$346,144	$414,525	$183,684	$3,395,457
Net Operating Income	$10,123	$432,473	$81,903	($12,980)	($3,415)	($30,663)	$11,838	$489,279
Operating Ratio	97.8%	75.1%	85.8%	106.7%	101.0%	108.0%	93.9%	87.4%
Other Income & Expenses (Includes Interest)	($6,663)	$0	($37,258)	($689)	($31,721)	$53,279	$4,009	($19,043)
Net Income	$3,460	$432,473	$44,645	($13,669)	($35,136)	$22,616	$15,847	$470,236
Balance Sheet Items:								
Gross Plant in Service	$2,105,908	$13,456,617	$4,740,530[1]	$1,141,989	$1,344,287	$579,680	$698,400	$24,147,411
Less: Depreciation Reserve	$546,757	$1,624,158	$1,417,296	$206,492	$336,156	$308,803	$238,644	$4,678,306
Net Plant in Service	$1,639,151	$11,832,459	$3,323,234	$935,497	$1,008,131	$270,877	$459,756	$19,469,105
*Contributions in Aid of Construction	$1,585,659	N/A	$524,983	$1,055,946	$601,994	$0	$472,584	$4,241,166
*Plant Acquisition Adjustment	$5,594	N/A	($3,039,771)	$0	$40,076	$0	$0	($2,994,101)
Statistics:								
Total Customers	4,237	3,924	2,794[2]	1,303	2,965	1,985[4]	1,421	18,629
Total Water Consumption (000s gallons)	N/A	1,188,711	209,214	99,407	240,000	91,059	119,935	1,948,326
Operation & Maintenance Expense per Total Customer	$ 72.61	$ 219.89	$ 147.94	$ 154.03	$ 91.03	$ 170.76	$ 95.65	$ 135.77
Total Expense per Total Customer	$ 104.00	$ 333.11	$ 177.68	$ 158.78	$ 116.74	$ 208.83	$ 129.26	$ 182.27
Gross Plant Investment per Total Customer	$ 515.91	$ 3,429.31	$ 887.36	$ 876.43	$ 453.39	$ 292.03	$ 491.48	$1,296.23
Dep'n. Expense as % of Gross Plant	3.1%	2.0%	1.6%	N/A	4.0%	7.7%	3.6%	2.1%
Residential Revenue (Metered)	N/A	$584,812	567,796	186,070	337,941	317,610	189,855	$2,184,084
Residential Customers (Metered)	N/A	3,375	2,716	1,251	2,965	1,579	1,384	13,270
Residential Water Used (Metered)(000s gallons)	N/A	191,981	209,214	94,555	240,000	91,059	116,944	943,753
Average Gallons Used per Residential Customer	N/A	56,883	77,030	75,583	80,944	57,669	84,497	71,119
Average Revenue per Residential Customer	N/A	$ 173.28	$ 209.06	$ 148.74	$ 113.98	$ 201.15	$ 137.18	$ 164.59

* These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are excluded from the plant investment account for general rate-making purposes.

(1) Gross plant in service for Heater Utilities includes both North Carolina and South Carolina operations. The gross plant investment per total customer and depreciation expense are based upon North Carolina total plant of $2,479,297.

(2) This number represents only residential metered water consumption.

(3) This number represents revenue from all residential customers.

(4) This number represents residential metered water consumption.

N/A--Not Available

FIGURE NO. 7-6

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1984

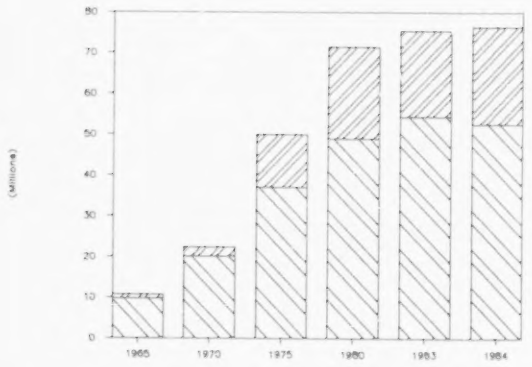
	Cape Fear Utilities Inc.	Carolina Water Service	Cumberland Water Co.	Mercer Environmental Corp.	Montclair Water Co.	Scientific Water & Sewerage	Transylvania Utility Co.	Total Water/Sewer Utilities
Revenue and Expenses:								
Total Revenue	$456,032	$1,930,913	$315,573	$402,997	$592,896	$224,318	$293,673	$4,216,402
Operation & Maintenance Expenses	$267,884	$1,300,465	$289,788	$327,183	$540,357	$154,617	$325,297	$3,205,591
Depreciation & Amortization	$70,751	$151,824	$124,143	$42,748	$93,472	$33,413	$0	$516,351
Federal & State Income Taxes	$91,454	$23,304	$11,193	$9,720	$2,509	$264	$0	$138,444
Other Taxes	$24,084	$134,854	$30,759	$23,884	$41,900	$16,833	$31,077	$303,391
Total Operating Expenses	$454,173	$1,610,447	$455,883	$403,535	$678,238	$205,127	$356,374	$4,163,777
Net Operating Income	$1,859	$320,466	($140,310)	($538)	($85,342)	$19,191	($62,701)	$52,625
Operating Ratio	99.6%	83.4%	144.5%	100.1%	114.4%	91.4%	121.3%	98.8%
Other Income & Expenses (Includes Interest)	($8,887)	($226,677)	$450,462	$3,833	$305	($20,334)	$0	$198,702
Net Income	($7,028)	$93,789	$310,152	$3,295	($85,037)	($1,143)	($62,701)	$251,327
Balance Sheet Items:								
Gross Plant in Service	$2,619,750	$16,158,604	$3,435,560	$1,341,540	$3,244,843	$666,948	N/A	$27,467,245
Less: Depreciation Reserve	$582,791	$1,287,235	$1,699,893	$363,144	$891,388	$171,456	N/A	$4,995,907
Net Plant in Service	$2,036,959	$14,871,369	$1,735,667	$978,396	$2,353,455	$495,492	N/A	$22,471,338
*Contributions in Aid of Construction	$1,615,429	$7,263,885	$1,976,365	$939,615	$3,350,933	$404,047	$209,562	$15,759,836
*Plant Acquisition Adjustment	$0	($1,207,043)	$0	$260,906	$0	$0	N/A	($946,137)
Statistics:								
Total Customers	2,871	9,083	4,468	2,061	6,974	1,130	4,907	$31,494
Total Water Consumption (000s gallons)	182,557	N/A	309,931	118,570	N/A	63,044	N/A	$674,102
Operation & Maintenance Expense per Total Customer	$ 93.31	$ 143.18	$ 64.86	$ 158.75	$ 77.48	$ 136.83	$ 66.29	$ 101.78
Total Expense per Total Customer	$ 158.19	$ 177.30	$ 102.03	$ 195.80	$ 97.25	$ 181.53	$ 72.63	$ 132.21
Gross Plant Investment per Total Customer	$ 912.49	$1,778.99	$ 768.93	$ 650.92	$ 465.28	$ 590.22	N/A	$ 1,033.11
Depreciation Expense as % of Gross Plant	2.7%	1.0%	3.6%	3.2%	2.9%	5.0%	N/A	1.9%
Residential Revenue (Metered)	$299,051	N/A	$241,012	N/A	$257,579	$81,455	N/A	$879,097
Residential Customers (Metered)	2,078	N/A	4,008	1,403	N/A	636	N/A	$8,125
Residential Water Used (Metered)(000s gal.)	178,057	N/A	271,694	103,580	N/A	63,044	N/A	$616,375
Average Gallons Used per Residential Customer	85,687	N/A	67,788	73,828	N/A	99,126	N/A	75,862
Average Revenue per Residential Customer	$ 143.91	N/A	$ 60.13	N/A	N/A	$ 128.07	N/A	$ 108.20

N/A--Not Available
*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are excluded from the plant investment account for general rate-making purposes.

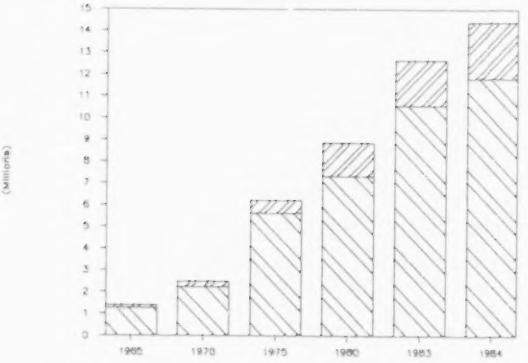
FIGURE NO. 7-7

PLANT, REVENUE, AND CUSTOMER GROWTH OF ALL REGULATED
WATER & SEWER COMPANIES IN NORTH CAROLINA
FOR THE YEARS 1965, 1970, 1975, 1980, 1983, and 1984

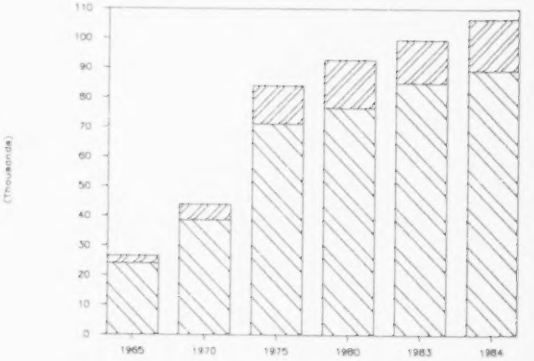
Plant Growth



Revenue Growth



Customer Growth



		1965	1970	1975	1980	1983	1984
Water:	Plant	$9,693,500	$20,086,100	$37,000,000	$48,855,000	$54,257,660	$52,500,253
	Revenues	$1,260,100	$ 2,223,700	$ 5,600,000	$ 7,324,000	$10,568,833	$11,805,041
	Customers	24,030	38,700	71,000	76,581	84,992	89,186
Sewer:	Plant	$ 996,400	$ 2,161,800	$13,000,000	$22,514,000	$21,172,699	$23,804,493
	Revenues	$ 129,500	$ 244,900	$ 600,000	$ 1,543,000	$ 2,081,889	$ 2,595,220
	Customers	2,470	5,300	13,000	16,187	14,564	17,354
Number of Companies		117	158	349	398	375	378

LEGEND

Water

Sewer

FIGURE NO. 7-8

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL WATER SERVICE IN NORTH CAROLINA
AT AUGUST 10, 1985

Publicly Owned Systems	3,000 gal.	Nonregulated Systems Inside City Limits 6,000 gal.	9,000 gal.
Asheville	$8.48	$15.64	$22.80
Charlotte	3.36	5.40	7.44
Greensboro	2.68	5.36	8.04
Raleigh	5.31	9.28	13.25
Wilmington	4.24	8.48	12.72
Winston-Salem	2.93	5.86	8.78
Average-(Simple)	$4.50	$8.34	$12.17

Privately Owned Systems Regulated by Commission (Class B or Larger)	3,000 gal.	Regulated Systems Water Charges Inside Service Area 6,000 gal.	9,000 gal.
Brookwood Water Corporation	$5.00	$6.65	$8.30
Duke Power Company	10.90	17.05	23.20
Hasty Water Utilities, Inc.	7.20	11.22	15.24
Heater Utilities, Inc.	11.10	16.20	21.30
LaGrange Waterworks Corporation	4.50	7.35	10.20
Piedmont Construction & Water Company, Inc.	13.00	19.60	26.20
Average-(Simple)	$8.62	$13.01	$17.41

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL
SEWER SERVICE IN NORTH CAROLINA
AT AUGUST 10, 1985

Publicly Owned Systems	3,000 gal.	Nonregulated Systems Inside City Limits 6,000 gal.	9,000 gal.
Asheville	$1.84	$3.68	$5.52
Charlotte	4.52	7.72	10.92
Greensboro	2.44	4.88	7.32
Raleigh	3.62	6.44	9.27
Wilmington	5.64	11.28	16.92
Winston-Salem	2.45	4.89	7.34
Average-(Simple)	$3.42	$6.48	$9.55

Privately Owned Systems Regulated by Commission (Class B or Larger)	3,000 gal.	Regulated Systems Inside Service Area 6,000 gal.	9,000 gal.
Cape Fear Utilities, Inc.	$20.00	$20.00	$20.00
Carolina Water Service of North Carolina	26.31	31.62	36.93
Cumberland Water Company, Inc.	5.56	7.96	10.36
Mercer Environmental Corporation	20.59	20.59	20.59
Montclair Water Company, Inc.	10.70	16.49	22.28
Pinehurst, Inc.	9.00	13.68	18.36
Transylvania Utility Company	12.50	20.00	27.50
Average-(Simple)	$14.95	$18.62	$22.29

VIII. Securities, Audits, And Annual Reports

A. SECURITIES ISSUES—COMMENTS

The Commission approved 12 applications for the issuance of electric, gas and telephone securities and borrowings during 1984, the same as 1983. The 1984 applications covered $608,150,000 compared to $229,095,000 in 1983.

The securities applications are processed by personnel in the Finance, Statistics, Budget and Planning Division of the Commission Staff, and reports and recommendations are made to the Commissioners. These reports evaluate and consider many factors such as: (1) The present and projected earnings position of the company, (2) the effect of the projected issue on the company's capital structure, (3) the expense of the issue, (4) the estimated net yield, (5) the probable market price per unit, (6) the purpose of the issue, (7) the use to which the proceeds are to be applied, (8) whether the issue is compatible with the overall public interest, and (9) the merits of the proposed method of marketing the securities; i.e., by competitive bidding, negotiations, or private placement.

The new capital raised through the sale of securities is primarily for the replacement of short-term borrowings, which have been used largely for new utility plant construction, modernization and improvement of existing plant to meet increased demands for additional and improved service. Figure No. 8-1 shows detailed data for each securities issue approved by the Commissioners in 1984.

B. AUDITS AND EXAMINATIONS—COMMENTS

Personnel of the Commission's Public Staff Accounting Division perform extensive field audits of the operations of public utilities. The results of each of these audits are a part of the Public Staff's position on matters before the Commission, and they are filed with the Chief Clerk as an official document if they are part of a general rate case proceeding. A brief summary of audits and special studies for 1984 follows:

Utility & Type Audit	1984 No. of Exams
Electric	
General Rate Case	3
Fuel Clause Cases	1
Gas	
General Rate Case & Earnings Investigation	0
Increased Cost of Purchased Gas, Exploration Surcharges, and Emergency Gas Curtailments	31
Telephone	
General Rate Case	3
Toll Revenue Increase	1
Water and Sewer	33
Motor Freight and Motor Passenger Operating Ratios and Tariffs	75
Total	147

C. ANNUAL REPORTS—COMMENTS

For the years 1983 and 1984 there were 1,446 and 1,513 utilities, respectively, required to file annual reports of their operations with the Commission. This number includes 80 nonregulated municipal utility systems. The regulated utilities and the municipal utility systems' annual reports required to be filed with the Commission are prepared on forms furnished to them by the Commission's Public Staff Accounting Division. All completed and returned annual reports of the larger utilities are reviewed in detail for compliance with the Uniform System of Accounts.

FIGURE NO. 8-1

SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1984
Amount Authorized for Total Company Operations ($ in 000s)

Name of Company	Docket Number	Date of Order	Total Amount Face Value	Total Amount Net to Company	Price/Yield Data Stated Interest Rate/Price Per Share	Price/Yield Data Yield at Offering	Type of Security Transaction Security Rating at Offering	How Sold*	Bonds Debentures Bank Loans	Common Stock Shares Authorized	Preferred Stock Shares Authorized	Purpose of Financing & Other Comments
ELECTRIC:												
Carolina Power & Light Co.	E-2, Sub 485	5-2-84	$50,000	$50,000	11.2%			P			750,000	New Preferred Stock A, without par value is to be sold at $100 par value to a leveraged trust created for th is purpose.
	E-2, Sub 480	6-21-84	$353,000		7.875%			P	$353,000			First Mortgage, Pollution Control Bonds-Tax exempt Proceeds to be used at facilities in New Hanover, Chatham, and Wa ke Counties.
	E-2, Sub 489	8-2-84	(A)		Market Price when issued			I		500,000		Common shares without par value to be used as need ed in PAYSOF--Employees Stock Ownership Plan.
	E-2, Sub 459 offered	12-22-82 4-17-84	$100,000	$99,250	13.375%	13.38%	A2	N	$100,000			First Mortgage Bonds--Off the shelf sale--Rule 415 .
Duke Power Co.	E-7,Sub 389	9-6-84	$40,000	$39,516	7 1/4%	7 1/4%		N	$40,000			Proceeds from the sale of the Pollution Control Bo nds will be used to defease the $50,000,000 issue outstanding of 1st Refunding.
Total			$543,000						$493,000	500,000	750,000	Mortgage bonds, 14 3/8% due 1987, $40,000,000 of bonds to be defeased.
GAS:												
North Carolina Natural Gas Co.	G-21, Sub 24	6-1-84	(A)		Market Price when issued			I		300,000		Common shares to be used in automatic dividend rei nvestment plan over the next 3 to 5 years.
	G-21, Sub 24	8-8-84	$15,000	$14,850	12 7/8%	12 7/8%		P	$15,000			Series A Debentures, due 9-1-96; Proceeds for repl acement of short term debt and capital improvements through 1 986.
Pennsylvania & Southern Gas Co.	G-3, Sub 724	7-2-84	$3,000		1/4% Below Commonwealth Bank & Trust Co.'s Prime Rate			P	$3,000			A 12-year unsecured bank loan; Commonwealth Bank & Trust Company is located in Sayre, Pennsylvania.
Total			$18,000						$18,000	300,000		
TELEPHONE:												
Continental Telephone Co. of North Carolina	P-128, Sub 8	12-19-84	$7,500	$7,462	12 1/2%	12 1/2%		P	$7,500			First Mortgage Bonds--Series T with 10-year maturi ty. Serves the old Western & Westco Telephone Companies.
Continental Telephone Co. of Virginia	P-8, Sub 38	12-19-84	$20,000	$19,925	12 1/2%	12 1/2%		P	$20,000			First Mortgage Bonds--Series TT, due 1994. Contin ental of Va. serves about 360 access lines.
General Telephone Co. of the Southeast	P-19, Sub 19	5-29-84	$15,000	$15,000	$25 par value			I		600,000		Sale of common stock to Parent General Telephone E lectronic Corp. to reduce short-term obligations outstanding.
North State Telephone Co.	P-42, Sub 99	5-16-84	$4,650	$4,650	$30 par value			I	Class A voting Class B Nonvoting	85,000 70,000		50% Stock dividend--No change in total capitalizat ion, Transfer from Earned Surplus to Common Capital Account $8,675,00 0.
Total			$47,150						$27,500	755,000		
Grand Total			$608,150						$539,500	1,550,000	750,000	

* N-Negotiated; P-Private Placement; I-Internal.
(A) Issues of Common Stock Authorized by Commission for use in various stock purchase and Employee Benefit Plans. Valuation of the shares are normally based on market price when issued.

IX. The Transportation Industry - Motor Freight Carriers

MOTOR FREIGHT CARRIERS

A. GENERAL COMMENTS

Motor freight carriers are divided into three groups according to annual operating revenues. The history of motor freight carriers' size classification is as follows:

Period & Source	Gross Operating Revenues Class I	Class II	Class III
1963-1969; R-2-48 (9-18-63)	$1,000,000 or more	$200,000 - $1,000,000	$200,000 or under
1970-1973; M-100, Sub 25 (9-15-69)	$1,000,000 or more	$300,000 - $1,000,000	$300,000 or under
1974-1979; M-100, Sub 53 (5-24-73)	$1,000,000 or more	$300,000 - $1,000,000	$300,000 or under
1980- M-100, Sub 68 (2-5-80)	$5,000,000 or more	$1,000,000 - $5,000,000	$1,000,000 or under

The Class I and II carriers generally transport both intrastate and interstate freight while the Class III carriers predominately operate only in intrastate commerce.

There were 890 regulated motor carriers as of December 31, 1984. Reports on file with the North Carolina Utilities Commission accounted for 763 of these regulated carriers. In 1984 the 130 Class I carriers and 114 Class II carriers accounted for approximately 84% of the total motor freight revenues generated in North Carolina.

B. DUTIES OF THE TRANSPORTATION DIVISION

INTRASTATE

The Commission Staff Transportation Division is charged with the economic and safety regulation of all certified motor freight carriers operating within the borders of the State. All applications for new authority grants, transfers of certificates, and cancellations of certificates are handled through this Division. Also all complaints relating to the quality of freight service, or the lack of it, are investigated by the Division.

The Public Staff Transportation Rates Division has the responsibility for maintaining up-to-date files of current rate and service tariffs of all intrastate transportation utility companies. In addition the Public Staff reviews all applications for new or amended rate tariffs. In contested rate cases, rule-making investigations, abandonments, mergers, and related matters, the Public Staff presents testimony in support of the position of the using and consuming public before the Commission.

The Public Staff has developed and implemented rate-making rules and procedures designed to provide cost-of-service data for the North Carolina portion of service furnished by the various transportation companies under regulation. The purpose of the cost data is to assure that the companies charge the lowest level of reasonable rates.

The Public Staff offers technical assistance to the Commission and the general public in dealing with transportation matters and investigates consumer complaints involving any regulated transportation utility company.

C. COMMISSION ACTIVITIES

During 1984 a total of 80, or 33%, of the Commission's 240 formal hearings were related to the trucking industry; for 1983 the number of truck hearings was 68 and represented 30% of the 227 formal hearings. The Commission sometimes settles tariff filings and other filings based on Public Staff and Commission Staff studies and recommendations presented at Monday morning conference sessions. During these sessions, if there are no protests and the need for the requested changes are either sanctioned by or undisputed by either staff, they are allowed to become effective without holding a formal hearing as in the past.

D. IMPACT OF MOTOR CARRIER ACT OF 1980

A bill (Senate Bill 2245) to encourage the deregulation of the trucking industry was signed into law on July 1, 1980. The Motor Carrier Reform Act of 1980 was designed to reduce unnecessary regulation by the Federal government. This act increases opportunities for firms in the trucking industry to operate without interference from the government.

The Motor Carrier Reform Act of 1980 provides a three-year transition from the new regulatory environment with major changes in rate-making beginning in July 1983. This act is Federal legislation and, therefore, affects only interstate commerce. The number of vehicles which have previously been registered with the N.C. Division of Motor Vehicles in subsequent periods by interstate carriers will be increasing significantly in the future.

The following tabulation shows motor carriers which hold authority from the Commission classified by type:

Type	1983	1984
Common	666	642
Contract	137	195
Common & Contract	21	53
Railroad Motor	1	0
Total	825	890

"Common carrier by motor vehicle" means any person who holds himself out to the general public to engage in the transportation by motor vehicle in intrastate commerce of persons or property of any class or classes thereof for compensation, whether over regular or irregular routes, except as exempted in G.S. 62-260.

"Contract carrier by motor vehicle" means any person who, under an individual contract or agreement with another person and with such additional persons as may be approved by the Utilities Commission, engages in the transportation other than the transportation referred to in the above paragraph, by motor vehicle of persons or property in intrastate commerce for compensation, except as exempted in G.S. 62-260.

E. SUMMARY OF OPERATING DATA

A list of the Class I and II motor freight carriers, with selected operating financial data is shown in Figure Nos. 9-1 and 9-2. Data for the Class III motor freight carriers is listed in Figure No. 9-3.

There were 519 Class III motor carriers filing 1984 annual reports with the North Carolina Utilities Commission. Often useful data for many of the Class III carriers is not available and in many instances is nonexistent. Therefore, the reported data does not reflect information for all the certified Class III motor carriers operating in North Carolina.

A summary of selected data for the Class I and II carriers for the 1984 calendar year is shown in Figure No. 9-4. It should be noted that the operating revenues for North Carolina are from freight moved on intrastate tariffs regulated by the North Carolina Commission only; therefore, they account for a very small percentage of the total revenues generated by this group of carriers (2%). Reports for years prior to 1979 have shown total North Carolina revenues to be about 8% to 10% of total systemwide revenues. The prior years' data included revenues which were generated from freight moved on both North Carolina (intrastate) and Interstate Commerce Commission (interstate) tariffs.

FIGURE NO. 9-1
MOTOR FREIGHT CARRIERS--CLASS I
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1983 AND 1984
(DOLLARS IN 000S)

	North Carolina Regulated Revenues		Total Company Operating Revenues		Total Company Operating Expenses		Total Company Net Operating Income		Operating Ratios		N.C. Employee Data: Average Number of Employees		N.C. Employee Data: Total Salaries Paid	
Mobile Home Movers:	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Barrett Mobile Home Transport, Inc.	N/A	$8	$11,797	$13,738	$11,311	$13,331	$486	$407	95.9%	97.0%	0	0	$0	$0
Brown Transport Corporation	0	0	150,278	171,534	139,577	166,725	10,701	4,809	97.2	92.9	188	225	4,650	5,244
M T C American, Inc.	14	106	55,741	83,101	53,709	82,627	2,032	474	96.4	99.4	1	2	4	17
Total	$14	$114	$217,816	$268,373	$204,597	$262,683	$13,219	$5,690	96.7%	99.1%	189	227	$4,654	$5,261
Household Goods Movers:														
Burnham Service Company, Inc.	N/A	$1,538	$55,002	$76,411	$49,473	$68,424	$5,529	$7,987	89.9%	89.5%	0	113	$0	$2,081
Lawrence Transfer & Storage	111	468	6,737	8,822	7,470	9,126	(733)	(304)	110.9	103.4	53	73	650	968
Movers World, Inc.	N/A	17	N/A	11,203	N/A	13,964	N/A	(2,761)	N/A	80.2	N/A	0	N/A	0
North American Van Lines, Inc.	13	64	555,428	421,374	539,426	400,521	16,002	20,853	97.1	95.1	6	7	107	125
Stuart Transportation Corporation	1,153	1,241	7,403	8,007	7,089	7,867	314	140	95.8	98.3	115	144	2,674	3,053
Total	$1,277	$3,328	$624,570	$525,817	$603,458	$499,902	$21,112	$25,915	96.6	95.1	174	337	$3,431	$6,227
General Commodities Carriers:														
ABF Freight Systems, Inc.	$35	$28	$349,987	$386,203	$343,632	$370,920	$6,355	$15,283	98.2%	96.0%	263	276	$8,278	$8,763
Alterman Transport Lines, Inc.	110	27	45,266	47,998	44,344	46,363	922	1,635	98.0	96.6	55	76	1,046	1,228
Anderson Truck Line, Inc.	1,702	1,884	5,489	6,079	5,181	5,780	308	299	94.4	95.1	156	180	2,137	2,436
Associated Petroleum Carriers, Inc.	4,015	4,397	32,707	34,261	31,963	33,669	744	592	97.7	98.3	0	0	0	0
B. I. Transportation, Inc.	544	16,775	72,446	71,832	59,189	60,948	13,257	10,884	81.7	84.8	662	692	16,413	18,434
B & L Motor Freight, Inc.	0	0	20,893	18,095	20,756	18,783	137	(688)	99.3	103.8	0	0	0	0
B & P Motor Lines, Inc.	N/A	N/A	9,426	10,395	9,470	9,992	(44)	403	100.5	96.1	41	56	691	888
Billings Transfer Corp., Inc.	639	711	13,549	15,007	12,580	13,935	969	1,072	92.8	92.9	208	212	4,661	5,039
Blue Ridge Transfer Co., Inc.	N/A	N/A	32,556	37,611	30,995	35,868	1,561	1,743	95.2	95.4	N/A	N/A	N/A	N/A
Boone, A.G., Company	4,490	N/A	9,246	9,673	8,922	9,198	324	475	96.5	95.1	137	N/A	3,047	N/A
Bowman, D.N., Inc.	N/A	0	N/A	16,036	N/A	14,516	N/A	1,520	N/A	90.5	N/A	69	N/A	1,488
Bralley-Willett Tank Lines, Inc.	N/A	384	N/A	6,022	N/A	5,457	N/A	565	N/A	90.6	N/A	14	N/A	217
Builders Transport, Inc.	1,789	1,521	58,455	79,032	53,631	70,422	4,824	8,610	91.7	89.1	140	185	3,111	3,765
Burton Lines, Inc.	N/A	896	9,858	9,774	9,235	9,314*	623	460	93.7	95.3	N/A	106	N/A	1,785
Byrd Motor Line, Inc.	0	0	6,804	7,928	6,552	7,552	252	376	96.3	95.3	125	139	2,480	2,955
C & H Transportation Co., Inc.	998	6	97,605	97,363	95,502	95,426	2,103	1,937	97.8	98.0	13	20	282	312
C. W. Transport, Inc.	N/A	N/A	N/A	131,475	N/A	129,882	N/A	1,593	N/A	98.8	N/A	N/A	N/A	N/A

FIGURE NO. 9-1 CONTINUED

	North Carolina Regulated Revenues		Total Company Operating Revenues		Total Company Operating Expenses		Total Company Net Operating Income		Operating Ratios		N.C. Employee Data: Average Number of Employees		N.C. Employee Data: Total Salaries Paid	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Cabarrus Consolidating & Management Co.	$101	$123	$5,236	$7,020	$4,602	$6,299	$634	$721	88.0	89.7	64	91	$1,338	$1,761
Caldwell Freight Carriers Corp.	372	485	7,572	8,038	6,602	6,806	970	1,232	87.2	84.7	142	144	2,509	2,628
Carolina Freight Carriers Corp.	885	801	327,363	373,256	304,291	347,697	23,072	25,559	93.0	93.2	2,215	2,422	62,362	67,782
Catawba Trucking Co., Inc.	100	14	8,147	8,337	7,125	8,174	1,022	163	87.5	98.1	1	N/A	25	N/A
Central Transport, Inc.	2,633	2,391	31,002	35,082	28,211	32,266	2,791	2,816	91.0	92.0	203	231	4,235	4,445
Chemical Leaman Tank Lines, Inc.	2,035	2,092	145,695	157,930	148,099	155,218	(2,404)	2,712	100.3	98.3	82	96	2,517	2,703
Coast Refrigerated Trucking Co.	0	0	11,690	9,729	10,626	9,472	1,064	257	90.9	97.4	19	18	313	432
Colonial Freight Systems	N/A	N/A	N/A	44,255	N/A	42,891	N/A	1,364	N/A	96.9	N/A	N/A	N/A	N/A
Colonial Motor Freight Line, Inc.	N/A	N/A	16,032	17,682	13,785	16,657	2,247	1,025	86.0	94.2	N/A	N/A	N/A	N/A
Conoco, Inc.	N/A	735	N/A	57,025	N/A	46,838	N/A	10,187	N/A	82.1	N/A	41	N/A	1,145
Consolidated Freightways	53	N/A	1,116,596	1,283,706	1,021,795	1,190,537	94,801	93,169	91.5	92.7	530	N/A	15,763	N/A
Cresco Lines, Inc.	82	85	15,351	15,128	15,031	14,743	320	385	97.9	97.5	0	0	0	0
Crete Carrier Corporation	0	0	62,763	74,096	59,424	69,307	3,339	4,789	94.7	93.5	0	0	0	0
Custom Deliveries, Inc.	N/A	0	N/A	20,395	N/A	19,958	N/A	437	N/A	97.9	N/A	5	N/A	40,217
DPD, Inc.	15	N/A	27,559	49,380	26,088	48,372	1,471	1,008	94.7	98.0	N/A	N/A	N/A	N/A
Decato Bros. Trucking Co.	22	22	7,188	8,699	6,938	8,348	250	351	96.5	96.0	0	2	0	27,722
Dewitt, L.G., Trucking Company, Inc.	6,920	0	12,983	14,428	13,414	14,563	(431)	(135)	103.3	100.9	235	244	3,408	3,680
Distribution Services Systems, Inc.	N/A	0	33,657	37,444	33,786	37,604	(129)	(160)	100.4	100.4	N/A	60	N/A	1,453
Eagle Transport Corporation	N/A	3,425	N/A	5,237	N/A	5,138	N/A	99	N/A	98.1	N/A	67	N/A	1,273
Electric Transport, Inc.	0	0	3,643	5,133	3,445	5,043	198	90	94.6	98.3	20	25	100	408
Epes Transport System, Inc.	934	830	13,738	14,270	13,895	14,724	(157)	(454)	101.1	103.3	144	104	2,279	1,979
Estes Express Lines	9,156	9,689	49,457	58,968	44,347	51,223	5,110	7,745	89.7	86.9	577	587	11,601	12,933
Evans, C & N Trucking Co., Inc.	0	0	23,023	20,556	22,326	19,835	697	721	97.0	96.5	393	376	5,302	4,667
Everette Truck Lines, Inc.	34	44	6,501	5,814	6,242	5,734	259	80	96.0	98.6	44	103	697	787
Fleet Transport Co., Inc.	944	731	35,412	40,535	35,467	42,070	(55)	(1,535)	100.2	103.8	14	26	182	308
Food Carrier, Inc.	N/A	717	7,921	8,371	N/A	7,655	N/A	716	N/A	91.4	N/A	0	N/A	0
Forbes Transfer Company, Inc.	612	531	6,623	6,437	6,394	6,182	229	255	96.5	96.0	62	67	1,072	1,076
Fredrickson Motor Express Corp.	18,511	20,942	32,181	38,706	30,170	37,246	2,011	1,460	93.8	96.2	807	900	16,518	18,125
Gabler, H.C., Inc.	9	18	15,486	127	15,757	131	(271)	(4)	101.8	102.9	5	N/A	99	N/A
Gaines Motor Lines, Inc.	0	0	8,755	12,483	7,741	10,865	1,014	1,618	88.0	87.0	77	116	1,744	2,406
Gilliland Transfer Co.	N/A	54	6,348	7,560	5,771	7,447	577	113	90.5	98.5	N/A	0	N/A	0
Goldson Transfer, Inc.	N/A	788	N/A	6,176	N/A	5,910	N/A	266	N/A	95.7	N/A	71	N/A	1,486
Graham, David, Co.	N/A	11	N/A	15,308	N/A	14,975	N/A	333	N/A	97.8	N/A	9	N/A	174
Green Arrow Motor Express Co.	N/A	148	N/A	10,366	N/A	10,838	N/A	(472)	N/A	104.5	N/A	0	N/A	0
Greenwood Motor Lines, Inc.	12	47	6,364	8,782	4,866	7,245	1,498	1,537	76.5	82.5	7	14	179	385
Guignard Freight Lines, Inc.	N/A	194	N/A	3,570	N/A	3,471	N/A	99	N/A	97.2	N/A	102	N/A	2,153
Gypsum Haulage, Inc.	0	0	13,850	13,819	12,001	12,897	1,849	922	86.6	93.3	0	0	0	0
H & W Trucking Co., Inc.	0	7,609	7,071	7,609	6,514	6,777	557	832	92.1	90.5	140	87	1,440	1,690
Harper Trucking Co., Inc.	2,087	N/A	2,087	2,167	1,953	2,047	134	120	93.6	94.5	50	N/A	1,064	N/A
Herman Bros., Inc.	0	0	19,745	23,103	19,667	22,067	78	1,036	99.6	95.5	0	0	0	0
Holly Farms Poultry Industries, Inc.	597	661	12,906	13,627	17,002	19,394	(4,096)	(5,767)	131.7	142.3	162	162	3,933	4,398
Home Transportation Co., Inc.	N/A	28	N/A	28,173	N/A	27,901	N/A	272	N/A	99.0	N/A	5	N/A	77,439
Indianhead Truck Lines, Inc.	0	N/A	28,811	26,742	27,701	28,640	1,110	(1,898)	96.1	107.1	0	N/A	0	N/A
Infinger Transport Co.	36	559	8,891	9,369	8,206	9,280	685	89	92.3	99.1	20	0	332	0
Interstate Carriers, Inc.	N/A	N/A	N/A	9,948	N/A	10,243	N/A	(295)	N/A	103.0	N/A	N/A	N/A	N/A
Iredell Milk Transport, Inc.	N/A	153	N/A	5,109	N/A	4,857	N/A	252	N/A	95.0	N/A	55	N/A	1,119
J & S Truck Service, Inc.	N/A	0	N/A	11,606	N/A	11,532	N/A	74	N/A	100.6	N/A	143	N/A	2,925
Jefferson Trucking Company	1	0	12,977	12,624	11,897	11,650	1,080	974	91.7	92.3	0	0	0	0

FIGURE NO. 9-1 CONTINUED

	North Carolina Regulated Revenues		Total Company Operating Revenues		Total Company Operating Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Kenan Transport Company	$5,727	N/A	$27,391	$33,096	$24,043	$29,019	$3,348	$4,077	87.8	114.0	210	N/A	$4,471	N/A
Kenosha Auto Transport Corp.	0	0	46,678	60,711	46,140	59,409	538	1,302	98.8	97.9	0	0	0	0
Leaseway Deliveries, Inc.	0	N/A	5,249	9,263	4,958	9,512	291	(249)	94.5	102.7	0	N/A	0	N/A
Lebarnold, Inc.	167	180	6,947	7,690	6,901	8,100	46	(410)	99.3	105.3	61	63	768	1,245
Liquid Transporters	163	0	20,000	22,706	19,671	22,852	329	(146)	98.4	100.6	12	31	207	370
Lumber Transport, Inc.	284	19	8,814	14,229	8,278	12,977	536	1,252	93.9	91.2	0	1	0	4
McClendon, Glenn, Trucking Co.	178	178	28,577	30,257	26,369	27,998	2,208	2,259	92.3	92.5	77	16	548	208
McLean Trucking Co.	288	262	519,009	487,615	525,116	501,672	(6,107)	(14,057)	101.2	102.9	1,478	1,390	42,081	40,131
Matlack, Inc.	N/A	297	N/A	209,064	N/A	200,382	N/A	8,682	N/A	95.8	N/A	9	N/A	221
Melton Truck Lines, Inc.	3,060	16	47,520	59,099	46,792	58,034	728	1,065	98.5	98.2	4	6	58	83
Mercer Brothers Trucking Co.	N/A	313	N/A	7,835	N/A	7,574	N/A	261	N/A	96.7	N/A	83	N/A	1,463
Merchants Home Delivery Service, Inc.	N/A	0	32,204	40,093	29,403	36,856	2,801	3,237	91.3	91.9	N/A	0	N/A	0
Merchant's Transport of Hickory	N/A	424	N/A	1,652	N/A	1,620	N/A	32	N/A	98.1	N/A	0	N/A	0
Merritt Trucking Co.	N/A	939	N/A	3,270	N/A	3,073	N/A	197	N/A	94.0	N/A	55	N/A	1,098
Mitchell Transport	256	334	22,441	31,638	20,689	29,793	1,752	1,845	92.2	94.2	6	6	110	102
Morgan Drive Away, Inc.	N/A	298	N/A	47,839	N/A	45,675	N/A	2,164	N/A	95.5	N/A	4	N/A	34
Moss Trucking Co., Inc.	567	457	13,521	15,842	12,841	14,756	680	1,086	95.0	93.1	120	135	2,499	2,742
Motor Convoy, Inc.	N/A	N/A	68,907	92,977	68,047	90,282	860	2,695	98.8	97.1	N/A	N/A	N/A	N/A
Murrow's Transfer, Inc.	229	194	9,187	9,839	8,121	9,100	1,066	739	88.4	92.5	147	160	2,938	3,406
National Freight, Inc.	55	177	77,663	89,290	77,036	88,137	627	1,153	99.2	98.7	5	7	123	160
North State Motor Lines, Inc.	322	304	3,013	2,917	2,902	2,934	111	(17)	96.3	100.5	46	41	493	439
Nu-Car Carriers, Inc.	4,347	650	94,585	113,353	91,179	110,417	3,406	2,936	96.4	97.4	29	15	1,359	639
Observer Transportation Co., The	N/A	990	N/A	5,629	N/A	5,283	N/A	346	N/A	93.9	N/A	109	N/A	2,577
O'Boyle Tank Lines, Inc.	578	676	14,199	13,909	13,927	13,576	272	333	98.1	97.6	0	0	0	0
Old Dominion Freight Line, Inc.	1,829	1,841	130,860	127,354	127,847	127,004	3,013	350	97.7	99.7	847	974	16,172	19,260
Oliver Trucking Co., Inc.	3,993	0	5,029	5,612	4,302	4,725	727	887	85.5	84.2	0	0	0	0
Overnite Transportation Co.	N/A	7,732	340,171	414,394	290,207	355,410	49,964	58,984	85.3	85.8	N/A	1,293	N/A	24,443
Pilot Freight Carriers, Inc.	N/A	N/A	188,039	208,412	196,140	218,477	(8,101)	(10,065)	104.3	104.8	N/A	N/A	N/A	N/A
Ploof Truck Lines, Inc.	94	331	32,253	34,529	27,278	29,554	4,975	4,975	84.6	85.6	56	51	1,057	1,020
Pony Express Courier Corp.	7,334	8,749	37,499	46,675	33,732	45,631	3,767	1,044	90.0	97.8	111	335	2,694	3,716
Purolator Courier Corp.	557	1,134	396,135	436,635	383,724	440,832	12,411	(4,197)	96.9	100.1	110	130	1,908	2,441
Redwing Carriers, Inc.	0	0	21,403	25,862	21,148	26,277	255	(415)	98.8	101.6	0	0	0	0
Russell Transfer, Inc.	17,416	333	17,848	16,427	17,993	17,459	(145)	(1,032)	100.8	106.2	60	73	1,585	2,009
Santee Cement Carriers, Inc.	N/A	537	12,125	15,718	11,412	15,180	713	538	94.1	96.6	N/A	55	N/A	936
Schwermann Trucking Co.	614	200	54,611	55,449	53,276	52,843	1,335	2,606	97.6	95.3	20	N/A	316	111
Sena Trucking Co.	0	0	13,160	17,195	12,414	16,002	746	1,193	94.3	93.1	N/A	N/A	N/A	N/A
Signal Delivery Service	0	0	204,638	221,723	192,067	209,144	12,571	12,579	93.8	94.3	124	122	4,025	4,227
Skyline Transportation, Inc.	N/A	91	N/A	6,504	N/A	6,111	N/A	393	N/A	93.9	N/A	33	N/A	514
Smith, Aaron Trucking Co., Inc.	N/A	N/A	N/A	5,337	N/A	5,716	N/A	(379)	N/A	N/A	N/A	N/A	N/A	N/A
Sonoco Transportation, Inc.	N/A	0	N/A	11,399	N/A	10,780	N/A	619	N/A	94.6	N/A	0	N/A	0
Southeastern Freight Lines	724	14,681	58,651	70,048	49,948	59,940	8,703	10,108	85.2	85.6	201	242	5,262	6,302
Spartan Express, Inc.	25	496	31,578	33,972	26,360	29,531	5,218	4,441	83.5	86.9	207	233	4,360	4,915
Standard Trucking Co.	8,560	11,023	40,793	45,930	38,853	49,865	1,940	(3,935)	95.2	108.6	639	711	14,256	16,241

FIGURE NO. 9-1 CONTINUED

	North Carolina Regulated Revenues		Total Company Operating Revenues		Total Company Operating Expenses		Total Company Net Operating Income		Operating Ratios		N.C. Employee Data Average Number of Employees		N.C. Employee Data Total Salaries Paid	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Stegall, J.G., Trucking Co., Inc.	N/A	$0	N/A	$2,596	N/A	$2,475	N/A	$121	N/A	95.3	N/A	41	N/A	$676
Superior Trucking Co., Inc.	10	17	25,396	26,952	24,902	27,045	494	(93)	98.1	100.3	0	N/A	N/A	N/A
Thurston Motor Lines, Inc.	7,167	7,460	104,108	111,475	98,751	109,406	5,357	2,069	94.9	98.1	1,249	1,231	22,278	24,394
Transport Service Co.	N/A	288	18,178	20,746	17,621	19,644	557	1,102	97.2	94.7	N/A	7	N/A	100
Tri-State Motor Transit Co.	334	278	106,154	109,631	102,098	108,549	4,056	1,082	96.2	99.0	5	3	88	64
U. T. F. Carriers, Inc.	N/A	0	N/A	6,925	N/A	6,810	N/A	115	N/A	98.3	N/A	0	N/A	0
United Parcel Service, Inc.	23,332	25,655	3,991,481	4,453,462	3,467,238	3,985,994	524,243	467,468	86.9	89.5	1,697	1,999	75,525	82,346
Vance Trucking Co., Inc.	404	437	5,745	5,756	5,699	5,675	46	81	99.1	98.6	79	80	1,262	1,308
Watkins Motor Lines, Inc.	127,681	N/A	128,063	115,231	118,040	110,358	10,023	4,873	92.2	95.8	195	206	4,573	4,896
West Point Pepperell Transportation Co.	1,221	1,046	22,653	24,279	18,114	20,323	4,539	3,956	80.0	83.4	17	19	412	569
Williamson Truck Lines, Inc.	0	1	6,473	6,561	6,506	6,535	(33)	26	100.5	99.6	126	N/A	1,747	N/A
Wilson Trucking Corporation	1,199	1,642	39,590	45,731	35,636	40,100	3,954	5,631	90.0	87.7	178	210	3,828	4,776
Wingate Trucking Co., Inc.	0	0	9,900	12,960	7,542	10,158	2,358	2,802	76.2	78.4	0	0	0	0
Youngblood Truck Lines	0	0	12,275	16,157	12,120	15,500	155	657	98.7	95.9	83	125	1,927	2,415
Total	$279,188	$171,188	$10,021,574	$11,812,111	$9,166,512	$11,020,828	$863,624	$788,522	91.5%	93.3%	16,012	24,654	$400,088	$605,562
Grand Total	$280,479	$174,630	$10,863,960	$12,606,301	$9,974,567	$11,783,413	$889,393	$822,888	91.8%	93.5%	16,375	24,993	$408,173	$617,050

Grand Total of All Class I Carriers Listed 130

N/A--Not Available

FIGURE NO. 9-2
MOTOR FREIGHT CARRIERS--CLASS II
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1983 AND 1984
(DOLLARS IN 000S)

	North Carolina Regulated Revenues		Total Company Operating Revenues		Total Company Operating Expenses		Total Company Net Operating Income		Operating Ratios		N.C. Employee Data: Average Number Of Employees		N.C. Employee Data: Total Salaries Paid	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Household Goods Movers:														
Airway Moving & Storage, Inc.	$4,926	$1,046	$1,723	$2,198	$1,663	$2,149	$60	$49	96.5	97.8	50	56	$542	$643
Baucom's Transfer & Storage Co., Inc.	50	366	1,070	1,373	1,065	1,308	5	65	99.6	95.3	40	45	467	564
Carolina Moving & Storage	68	191	2,011	1,650	2,300	1,629	(289)	21	114.4	98.7	56	64	503	1,035
Charlotte Van & Storage Co., Inc.	8	1,819	2,866	3,269	2,849	3,263	17	6	99.4	99.8	67	63	1,027	1,146
City Transfer & Storage Co.	120	916	1,265	1,522	1,199	1,388	66	134	94.8	91.2	41	41	605	688
DeHaven's Transfer & Storage, Inc.	8	312	1,035	1,251	942	993	93	258	91.0	79.4	31	40	445	571
Jackson Moving & Storage Co., Inc.	N/A	280	N/A	1,224	N/A	1,196	N/A	28	N/A	97.7	N/A	24	N/A	369
Martin Transfer & Storage Co.	197	367	1,390	1,680	1,472	1,591	(74)	89	105.3	94.7	42	57	573	624
Modern Moving & Storage, Inc.	N/A	323	N/A	1,130	N/A	1,084	N/A	46	N/A	95.6	N/A	23	N/A	288
Neptune Worldwide Moving of N.C., Inc.	N/A	173	N/A	268	N/A	121	N/A	147	N/A	45.1	N/A	20	N/A	154
Piedmont Movers, Inc.	N/A	243	N/A	1,051	N/A	956	N/A	95	N/A	91.0	N/A	6	N/A	93
Ray Moving & Storage, Inc.	N/A	512	N/A	1,225	N/A	1,152	N/A	73	N/A	94.0	N/A	25	N/A	394
Security Storage Co., Inc.	91	429	1,886	2,179	1,850	2,086	36	93	98.1	95.7	44	50	511	572
Smith, H.M., Storage Warehouse, Inc.	N/A	358	N/A	1,061	N/A	1,010	N/A	51	N/A	95.2	N/A	47	N/A	605
Tatum - Dalton Transfer Co.	246	579	1,858	1,867	1,815	1,777	43	90	97.7	95.2	62	49	802	794
Tru-Pak Movings & Storage	20	43	2,822	3,315	1,956	2,067	866	1,248	63.3	62.4	20	30	252	393
United Merchants Trucking, Inc.	N/A	N/A	N/A	4,560	N/A	4,803	N/A	(243)	N/A	105.3	N/A	42	N/A	1,059
Washburn Storage Co.	1	2	2,684	3,216	2,577	3,077	107	139	96.0	95.6	12	18	84	174
Young Moving & Storage Co.	N/A	207	N/A	3,092	N/A	3,014	N/A	78	N/A	97.4	N/A	8	N/A	150
Total	$5,735	$8,166	$20,618	$37,131	$19,688	$34,664	$930	$2,467	95.5	96.4	465	708	$5,811	$10,316
General Commodities Carriers:														
Air Cargo Services, Inc.	N/A	$2,531	N/A	$2,708	N/A	$2,659	N/A	$49	N/A	98.2	N/A	80	N/A	$1,110
American Parcel Service, Inc.	N/A	764	N/A	1,095	N/A	1,040	N/A	55	N/A	95.0	N/A	4	N/A	112
Barnett Truck Line, Inc.	111	1,002	1,853	1,744	1,782	1,702	71	42	96.2	97.6	32	34	471	551
Billings Trucking Corp.	0	0	1,953	2,606	1,801	2,239	152	367	92.2	85.9	49	55	678	876
Blue Ridge Trucking Co.	153	4,072	3,501	4,072	3,488	3,956	13	116	99.6	97.0	77	69	1,761	1,978
Building Systems Transportation, Inc.	N/A	22	N/A	3,547	N/A	3,463	N/A	84	N/A	97.6	N/A	1	N/A	9
Bunch Trucking Co., Inc.	1,024	988	1,441	1,901	1,361	1,899	80	2	94.4	99.9	11	17	65	200
CFI Transport, Inc.	33	45	2,790	3,117	2,404	2,778	386	339	86.2	89.1	32	32	731	780
Cargo Transporters, Inc.	N/A	17	N/A	3,315	N/A	3,255	N/A	60	N/A	98.0	N/A	33	N/A	937
Cargocare Transportation Co., Inc.	387	436	2,515	2,732	2,390	2,565	125	167	95.0	93.9	6	7	112	180
Carrier Freight Lines, Inc.	N/A	2,692	N/A	2,706	N/A	2,571	N/A	135	N/A	95.0	N/A	25	N/A	588

FIGURE NO. 9-2 CONTINUED

	North Carolina Regulated Revenues		Total Company Operating Revenues		Total Company Operating Expenses		Total Company Net Operating Income		Operating Ratios		N.C. Employee Data Average Number Of Employees		Total Salaries Paid	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Carroll's Transfer, Inc.	$0	$257	$2,394	$1,991	$2,373	$1,976	$21	$15	99.1	99.2	41	28	$595	$507
Carter, Robahlee	741	1,241	1,033	1,241	866	1,153	167	88	85.8	93.0	12	19	119	179
Caustic Soda Transportation Co.	N/A	294	N/A	1,006	N/A	900	N/A	106	N/A	89.5	N/A	15	N/A	250
Clarkson Brothers Machinery Haulers, Inc.	28	N/A	1,593	1,715	1,691	1,705	(98)	10	106.2	99.4	2	N/A	35	N/A
Cline, Phil Trucking, Inc.	N/A	68	N/A	3,827	N/A	3,673	N/A	154	N/A	95.7	N/A	30	N/A	600
Coastal Transport, Inc.	1,782	2,050	1,911	2,271	1,582	2,061	329	210	82.8	91.0	15	13	264	374
Columbus Motor Lines, Inc.	58	67	1,463	1,332	1,565	1,327	(102)	5	107.0	99.7	19	15	388	342
Commercial Couriers, Inc.	1,729	1,953	2,470	2,916	2,069	2,649	401	267	83.8	90.9	93	125	1,124	1,541
Continental Transport Systems, Inc.	1	3	1,534	1,594	1,457	1,514	77	80	95.0	95.0	0	0	0	0
Contract Transporters, Inc.	1,412	1,663	1,580	0	1,494	0	86	0	94.6	0	27	35	624	793
Cooke Trucking Co., Inc.	0	0	2,174	2,735	2,003	2,346	171	389	92.1	85.8	33	54	610	729
Cox Trucking Co.	188	391	1,283	1,713	1,267	1,677	16	36	98.8	97.9	13	21	226	271
Custom Transport, Inc.	797	810	3,768	4,270	3,550	4,145	218	125	94.2	97.1	75	82	1,431	1,631
D & L Trucking, Inc.	1,000	1,773	2,443	2,751	2,246	2,651	197	100	91.9	96.3	45	50	731	865
Dairy Leasing Service, Inc.	N/A	N/A	2,586	2,878	2,540	2,750	46	128	98.2	95.6	34	N/A	619	N/A
Davie Trucking, Inc.	0	1,392	2,558	3,000	2,464	2,832	94	168	96.3	94.4	26	26	414	479
Dedmon, A.V., Trucking, Inc.	N/A	293	N/A	1,200	N/A	1,110	N/A	82	N/A	93.1	N/A	22	N/A	377
Dixie Trucking Co., Inc.	N/A	N/A	4,668	5,338	4,503	5,164	165	174	96.5	96.7	N/A	N/A	N/A	N/A
Douglas & Sons, Inc.	N/A	3	N/A	5,077	N/A	4,821	N/A	256	N/A	94.7	N/A	58	N/A	1,715
E-B Trucking Co., Inc.	1,107	1,149	1,107	1,149	1,125	1,174	(18)	(25)	101.6	102.3	18	15	291	261
East Carolina Oil Transport, Inc.	N/A	1,518	N/A	1,518	N/A	1,475	N/A	43	N/A	97.2	N/A	43	N/A	480
East Coast Transport Co., Inc.	1,467	1,667	1,467	1,667	1,354	1,612	113	55	92.3	96.7	33	32	423	491
Eastern Motor Lines, Inc.	0	0	1,912	2,129	1,797	2,004	115	125	93.9	94.1	2	3	48	81
Eastern Oil Transport, Inc.	2,120	330	2,140	330	2,130	414	10	(84)	95.5	125.0	42	35	638	128
Edaac Trucking Co., Inc.	267	373	1,264	1,394	1,215	1,399	49	(5)	96.1	100.3	20	27	327	385
Everett Express, Inc.	167	201	2,632	3,683	2,480	3,228	152	455	94.2	87.7	25	30	362	474
Ezzell Trucking, Inc.	397	588	2,707	2,625	2,585	2,102	122	523	95.5	80.1	34	29	541	503
Fleming, J. Clint, Inc.	N/A	51	N/A	2,818	N/A	2,770	N/A	48	N/A	98.3	N/A	7	N/A	129
Forbes Refreigerated Transport, Inc.	77	68	1,467	1,272	1,421	1,269	46	3	96.9	99.8	20	17	358	338
Freightways, Inc.	685	1,008	2,142	1,800	1,953	1,824	189	(24)	86.5	101.3	N/A	6	N/A	126
Gallimore, D.P. & Sons, Inc.	0	0	2,612	3,017	2,485	2,804	127	213	95.1	92.9	37	46	602	702
General Trucking Services, Inc.	0	0	3,616	3,985	2,752	3,583	864	402	76.1	89.9	0	0	0	0
Glass Container Transport, Inc.	1,841	1,316	4,996	4,358	4,683	4,040	313	318	93.7	92.7	120	55	853	206
Glosson Enterprises, Inc.	N/A	47	N/A	7,296	N/A	6,741	N/A	555	N/A	92.4	N/A	102	N/A	1,961
Groves, F.W., Trucking Co.	481	677	1,529	2,282	1,481	2,224	39	58	97.4	97.0	32	41	467	540
H & S Truck Service of Ahoskie, N.C., Inc.	114	80	1,115	1,471	693	1,289	422	182	62.2	87.6	29	27	370	411
H.F.C.S. Transport Co., Inc.	568	510	3,124	2,249	2,529	2,254	595	(5)	81.0	100.2	33	30	742	604
Harper Trucking Co., Inc.	2,087	N/A	2,087	2,167	1,953	2,047	134	120	93.6	94.5	50	N/A	1,064	N/A
Harrell, R.O., Inc.	321	376	1,001	1,231	927	1,163	74	68	92.6	94.5	0	0	0	0
Henry, C.S., Transfer, Inc.	125	123	3,163	3,487	2,988	3,287	175	200	94.4	94.2	62	68	1,248	1,385
Howell's Motor Freight, Inc.	313	233	5,347	233	4,783	210	564	23	89.5	90.0	63	76	807	936
Hucks Piggyback Service, Inc.	N/A	0	N/A	1,192	N/A	852	N/A	340	N/A	72.0	N/A	18	N/A	311
Hudson Transportation, Inc.	N/A	23	N/A	4,380	N/A	4,165	N/A	215	N/A	95.1	N/A	13	N/A	155

FIGURE NO. 9-2 CONTINUED

	North Carolina Regulated Revenues		Total Company Operating Revenues		Total Company Operating Expenses		Total Company Net Operating Income		Operating Ratios		N.C. Employee Data Average Number Of Employees		Total Salaries Paid	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Interstate Cartage Co., Inc.	N/A	$0	N/A	$1,391	N/A	$1,366	N/A	$25	N/A	98.2	N/A	6	N/A	$62
Kugler, George W., Inc.	0	0	2,399	2,467	2,355	2,490	44	(23)	98.2	101.0	0	0	0	0
Lewis Truck Lines, Inc.	6	4	1,673	1,827	1,025	1,769	648	58	61.3	96.8	N/A	0	N/A	0
Lisk, Howard, Inc.	601	1,277	2,146	3,100	2,045	2,964	101	136	95.3	96.0	29	54	586	949
Louisiana-Pacific Trucking Co.	17	44	2,988	2,779	2,843	2,527	145	252	95.1	90.9	0	0	0	0
McLaurin Trucking Co.	662	382	1,892	1,484	1,890	1,609	2	(125)	99.9	108.0	45	40	630	562
Nationwide Horse Carriers, Inc.	N/A	N/A	2,238	1,939	2,320	1,984	(82)	(45)	103.7	103.0	0	0	0	0
P - Y Transport, Inc.	N/A	86	N/A	2,117	N/A	2,236	N/A	(119)	N/A	105.6	N/A	10	N/A	89
Package Delivery, Inc.	15	442	1,015	1,104	974	1,200	41	(96)	95.9	108.6	25	30	260	34
Parmenter Transport Co., Inc.	16	1,201	1,293	1,419	1,226	1,375	67	44	94.8	96.9	23	25	306	340
Pitt County Transportation	268	305	3,191	3,791	3,039	3,629	152	162	95.2	95.7	42	42	784	907
Reliable Tank Lines	N/A	1,346	N/A	1,443	N/A	1,051	N/A	392	N/A	73.0	N/A	25	N/A	444
Roberts Express	N/A	1	N/A	26,168	N/A	24,891	N/A	1,277	N/A	95.0	N/A	0	N/A	0
Rothrock, J.L., Inc.	0	2,812	2,616	2,812	2,533	2,835	83	(23)	96.8	100.8	71	65	1,043	1,131
Rowan Freight Co., Inc.	384	0	1,018	1,176	959	1,174	59	2	94.2	98.6	29	32	350	397
S & S Trucking Co.	N/A	2	N/A	1,730	N/A	1,704	N/A	26	N/A	98.5	N/A	32	N/A	514
Salem Carriers, Inc.	N/A	18	N/A	2,187	N/A	2,138	N/A	(31)	N/A	101.5	N/A	30	N/A	516
Seacoast Transportation Co.	N/A	N/A	3,394	3,700	4,446	4,402	(1,052)	(702)	131.0	119.0	N/A	N/A	N/A	N/A
Sherman & Boddie, Inc.	549	354	1,566	1,653	1,209	1,351	357	302	77.2	81.7	30	30	487	540
Shippers Freight Lines, Inc.	3,150	2,297	4,288	3,517	4,546	3,777	(258)	(260)	106.0	107.0	66	72	1,850	1,703
Skyline Transportation, Inc	36	N/A	4,980	6,584	4,774	6,111	206	393	95.9	94.0	16	N/A	353	N/A
Smith Transfer Co., Inc.	13	181	1,430	1,711	1,368	1,655	62	56	95.7	96.7	23	25	337	393
Southern Oil Transportation Co., Inc.	1,059	1,154	1,059	1,154	1,039	1,115	20	39	98.1	96.6	27	28	414	447
Super Motor Lines, Inc.	2,167	2,071	2,329	2,456	2,232	2,727	97	(271)	95.8	111.0	52	72	1,038	1,261
Swing Transport, Inc.	1,129	1,430	1,700	4,348	1,565	3,976	135	372	92.1	91.4	17	21	247	527
Terminal Trucking Co., Inc.	3,177	3,445	3,610	4,417	2,780	3,175	830	1,242	77.0	72.0	70	82	1,231	1,576
321 Equipment Leasing Co.	9	12	2,370	1,825	2,450	1,893	(80)	(68)	103.4	104.0	31	34	586	603
Tidewater Transit Co., Inc.	924	1,699	1,927	2,546	1,905	2,389	22	157	98.9	93.8	36	41	624	834
Turner Transfer	109	107	1,088	1,068	1,049	994	39	74	96.3	93.0	15	90	243	175
Underwood & Weld Co., Inc.	36	51	3,770	5,519	3,869	5,476	(99)	43	102.6	99.0	55	85	1,042	1,628
United Merchants Trucking, Inc.	83	N/A	4,905	4,560	4,500	4,803	405	(243)	91.8	105.3	47	N/A	1,083	N/A
Wallace Trucking Co.	N/A	N/A	1,760	1,919	2,127	2,133	(367)	(214)	120.9	111.1	32	32	604	647
Wendell Transport Corp.	1,175	1,172	1,200	1,345	1,069	1,198	131	147	89.1	89.1	27	24	336	425
West Bros. Transfer & Storage, Inc.	519	2,015	2,017	2,559	2,080	2,372	(63)	187	103.1	92.7	54	N/A	790	N/A
Western Carolina Express, Inc.	1,627	1,956	1,627	1,956	1,568	2,013	59	(57)	96.4	102.9	72	82	683	881
Widenhouse, A.C., Inc.	2,146	2,508	2,256	2,508	2,484	2,470	(228)	38	110.1	98.5	58	66	1,030	1,060
Winston Carriers, Inc.	N/A	N/A	N/A	2,265	N/A	2,117	N/A	148	N/A	93.5	N/A	N/A	N/A	N/A
Wooldridge, J.C., Inc.	N/A	3	N/A	1,858	N/A	1,811	N/A	47	N/A	97.0	N/A	0	N/A	0
Worsley Transport, Inc.	1,180	1,232	1,588	1,723	1,481	1,653	107	70	93.3	95.9	17	22	275	325
Yarbrough Transfer Co.	319	949	1,454	1,822	1,332	1,631	122	191	91.6	89.5	28	30	501	612
Yeary Transfer Co., Inc.	N/A	84	N/A	909	N/A	952	N/A	(43)	N/A	104.7	N/A	0	N/A	0
Total	$46,923	$65,885	$165,717	$256,827	$157,312	$245,655	$8,405	$11,172	94.9	95.6	6,265	6,865	$41,018	$52,131
Grand Total	$52,658	$74,051	$186,335	$293,958	$177,000	$280,319	$9,335	$13,639	95.0	95.4	6,730	7,573	$47,629	$62,447

Grand Total of All Class II Carriers Listed 114

N/A--Not Available

FIGURE NO. 9-3
MOTOR FREIGHT CARRIERS--CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(ACTUAL DOLLARS)

Mobile Home Movers:	North Carolina Regulated Revenues 1983	North Carolina Regulated Revenues 1984	Total Company Revenues 1983	Total Company Revenues 1984
A & B Mobile Home Movers, Inc.	$4,080	$4,430	$4,080	$4,430
Action Freight Lines, Inc.	7,407	4,430	7,407	4,430
Alfred's Mobile Home Movers	N/A	0	N/A	N/A
B & B Movers	N/A	6,840	N/A	6,840
Barbour's Mobile Home Movers & Services	N/A	40,851	N/A	40,851
Bass Mobile Home Moving	54,455	55,108	54,455	55,108
Benton , James Edgar	850	915	850	915
Big King Mobile Homes	1,788	900	2,788	N/A
Bob's Mobile Home Transport & Service	19,665	68,439	19,665	68,439
Border's Mobile Home Movers	37,509	24,052	50,012	24,052
Bradley, Bill B.	19,172	44,364	19,172	44,364
Brafford, Boyd W., Jr.	59,435	59,972	59,435	59,972
Bryant, Billy, Trailer Moving	58,766	35,473	58,766	35,473
Bryant's Trailor Convoy	49,713	55,168	49,713	55,168
Bullock, Richard E.	9,721	11,924	9,721	11,924
Canipe's Wrecker Service & Mobile Home Movers	2,455	5,475	2,455	5,475
Cantrell, Charles, Assoc., Inc.	320	120	320	120
Car Center	N/A	4,650	N/A	4,650
Carrolls Mobile Home Service	N/A	64,347	N/A	64,347
Carteret Mobile Home Movers	16,200	16,038	16,200	16,038
Chandler Trailer Convoy	N/A	0	N/A	28,817
Cieslinski, David L.	N/A	20,788	N/A	20,788
Coats, Lewis C.	85,538	146,213	90,355	146,213
Cockerham's, Wallace, Towing, Inc.	23,068	30,214	23,068	30,214
Coley's Welding Service, Inc.	10,600	6,000	10,600	6,000
Council, Jimmy	16,000	21,000	16,000	21,000
Council's Mobile Home Movers, Inc.	0	27,134	25,470	27,134
Cox's Mobile Home Moving	N/A	7,965	N/A	7,965
D & N Motors	8,250	3,990	8,250	3,990
Davie's Garage	N/A	47,080	N/A	47,080
Davidson, R.	121,360	216,000	229,360	428,418
Davis, W.L. Mobile Home Movers	17,586	149,916	17,586	149,916
Doug's Mobile Home Towing, Inc.	223,632	279,916	493,550	507,138
ECE Homes & Transporting	1,946	2,246	1,946	2,246
Eastern Mobile Transport, Inc.	N/A	0	N/A	140,394
Evans, Donald, Mobile Home Movers, Inc.	170,883	31,611	170,883	210,742
Ferguson, Charles Curtis	N/A	1,195	N/A	1,195
Frady, James Woodrow	27,060	35,376	27,060	35,376
Frank's Mobile Home Movers	14,220	19,862	14,220	19,862
Gilbert, Jimmy, Mobile Movers	2,633	5,166	2,633	5,166

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Glover Sales, Inc.	$3,217	$1,593	$3,217	$1,593
Grandpap's Mobile Home Service, Inc.	104,039	121,492	104,039	121,492
Hall, Carlton, Ray	14,687	19,015	14,687	19,015
Hamrick, J. Austin	7,152	8,221	7,152	8,221
Hamrick Mobile Homes	N/A	0	N/A	0
Heritage Homes, Inc.	N/A	43,756	N/A	43,756
Herman, Ray L.	16,360	8,115	16,360	8,115
J & R Mobile Home Moving & Repair Co.	N/A	46,700	N/A	46,700
Jack's Mobile Home Service	22,840	23,605	22,840	23,605
Johnson, Jerry, Mobile Home Movers	1,247	5,294	1,247	5,294
Johnson Mobile Home Service	16,250	17,250	16,250	17,250
Johnny's Mobile Home Service of Asheville, N.C.	29,640	30,665	29,640	89,265
King Arthur's Court	3,950	65,341	39,500	65,341
Lamb's Mobile Home Movers	24,466	32,000	24,466	32,000
Laughinghouse, Charles, C.	59,172	96,200	60,372	96,200
Lewis, Joe, Mobile Home Moving Service	33,250	63,196	33,250	63,196
Longs Body Shop	N/A	41,569	N/A	41,569
Lorraine Transporters	11,605	17,988	11,605	17,988
Lower Creek Mobile Homes	13,380	12,900	13,380	12,900
M & M Movers	N/A	18,000	N/A	18,000
Maness, Walter Clyde	N/A	360	N/A	360
Master Mobile Home Movers, Inc.	N/A	43,221	N/A	43,221
McCreary Mobile Home Towing Service	23,215	36,400	23,215	36,400
McLaurin Mobile Home Service	N/A	20,200	N/A	20,200
McMahan Mobile Home Movers	10,638	85,522	10,638	85,522
McMillan Crane Service, Inc.	103,397	144,383	103,397	144,383
Mobile Maintenance, Inc.	6,663	0	6,663	30,571
Modular Transport, Inc.	N/A	120,087	N/A	723,454
Moncure, Henry Motors, Inc.	1,125	607	1,125	607
Moores Mobile Manor and Service	31,695	28,317	31,695	28,317
Oak Hill Mobile Home Movers, Inc.	8,917	12,625	12,867	12,625
P & G, Inc.	77,844	139,223	77,844	139,223
P & Y Mobile Homes, Inc.	1,477	4,520	1,477	4,520
Patterson, Ralph K.	1,500	1,000	1,500	1,000
Paul, Charles	18,511	192,711	18,511	192,711
Piedmont Mobile Home Movers	20,000	40,000	20,000	40,000
Pine's M.H. Park & Service Co., Inc.	0	0	150	N/A
Pop's Trailer Towing Co., Inc.	151,845	175,822	151,845	175,822
Potter's Mobile Home Service	0	0	52,936	40,148
Price, Harold Maxton Mobile Home Mover	12,590	18,900	12,590	18,900
Ratley's Mobile Home Sales & Service	5,179	2,230	5,179	N/A
Rhymer, Boyle J.	N/A	1,729	N/A	1,729

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Rice's Mobile Home Service	$13,788	$21,133	$13,788	$21,133
Ricks Trailer Park	34,539	22,891	34,539	22,891
Riverside Mobile Home Movers	36,796	44,865	41,635	65,359
Ronald's Trailer Transport	13,632	13,855	13,632	13,855
Rorer's Mobile Home	14,291	31,909	14,291	31,909
S & H Mobile Home Movers	9,246	15,284	9,246	15,284
Smith, Larry M., Trucking, Inc.	18,910	42,687	28,830	51,162
Spruill, Norman Arlington	19,502	9,229	19,502	9,229
Starling's Mobile Home Service	3,630	17,366	3,630	17,366
Stevenson, R.L. Mobile Home Carriers	94,979	251,037	94,979	251,037
Tarheel Wheel & Axle, Inc.	N/A	12,600	N/A	12,600
Tom's Mobile Homes, Parts, Sales, and Service	N/A	3,472	N/A	3,472
Village Homes of the Pamlico, Inc.	11,505	24,758	11,505	24,758
Williamson Mobile Home Transit	16,580	142,138	133,892	N/A
Wilson Enterprises, Inc.	8,900	7,500	8,900	7,500
Wood Mobile Home Movers				
Total	$2,200,427	$3,960,617	$2,847,992	$5,364,986

Household Goods Movers:	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
A - 1 Moving & Storage, Inc.	$39,921	$44,072	$276,177	$277,088
AAA Spruill Moving & Storage	4,042	7,777	11,623	38,607
AAA Storage Co., Inc.	4,106	12,292	443,176	543,034
ABC Moving & Storage, Inc.	133,240	130,060	604,946	681,167
Abernathy Transfer & Storage Co., Inc.	15,488	12,906	235,017	228,924
Ace Moving & Storage Co.	7,860	12,953	115,548	122,899
Acme Movers & Storage Co., Inc.	8,828	11,550	282,295	321,146
Action Mayflower Moving & Storage, Inc.	130,661	232,020	568,155	971,319
Affordable Movers	0	0	3,647	3,542
All American Movers of Goldsboro, Inc.	N/A	N/A	70,143	82,900
All American Moving & Storage, Inc.	15,537	22,663	221,776	301,645
Allen's Moving & Storage, Inc.	6,953	1,802	272,776	274,848
Allen's Moving Service of Fayetteville, Inc.	12,908	10,571	92,029	191,983
Allstate's Moving & Storage Co., Inc.	7,640	6,442	523,457	565,835
Alternative Moving Systems LTD	6,807	111,212	247,065	419,102
American Distribution Systems, Inc.	17,260	21,142	222,628	269,098
Asheville Transfer & Storage, Inc.	42,306	53,289	394,550	513,807
Atlantic-Pacific Van & Storage, Inc.	111,432	106,708	115,406	107,025
B & W Local Moving	0	0	244,553	264,873
Baker, Tom, Express, Inc.	409,596	565,049	621,177	712,561

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Bartlett Moving Co., Inc.	$19,208	$8,100	$67,148	$36,300
Betts Private Enterprise	N/A	3,471	N/A	3,471
Bowen's Moving & Storage, Inc.	3,343	2,070	56,826	44,064
Branch Moving & Storage, Inc.	15,861	14,859	145,814	N/A
Brevard Moving & Storage Co., Inc.	41,949	54,430	143,588	196,684
Bright's Transfer, Moving & Storage	0	0	6,380	10,728
Burks Moving & Storage, Inc.	0	20,881	417,898	375,931
Byers, Samuel Augusta	24,500	23,500	56,350	56,582
Capital Van Lines, Inc.	19,920	21,476	271,652	248,578
Cardinal Moving & Storage, Inc.	72,529	74,862	796,084	989,465
Cashion Moving & Storage, Inc.	29,882	45,883	153,087	181,509
Center Line, Inc.	N/A	103,670	N/A	124,257
Central Warehouse Co. of Durham, Inc.	0	0	219,245	344,262
Century Movers, Inc.	7,387	0	163,324	95,683
Champion Cab & Transfer	13,636	14,098	15,436	15,898
Champion Storage & Trucking Co., Inc.	N/A	0	N/A	10,664
City Transfer & Storage Co. of Fayetteville, Inc.	0	0	59,404	48,256
Clark Transfer Co., Inc.	41,860	62,360	594,520	865,220
Coastal Moving Co., Inc.	7,949	3,911	341,913	375,303
Coley Moving and Storage, Inc.	106,521	125,394	814,597	612,639
Crawford Deliveries, Inc.	N/A	0	N/A	103,266
Crown Moving & Storage, Inc.	2,294	3,320	355,176	431,097
Custom Moving & Storage, Inc.	503	3,801	256,716	343,167
David's Econo Move, Inc.	0	0	398,265	425,659
Dawson-Joyce Moving & Storage Co.	2,839	3,684	296,195	356,644
DeHaven's Transfer & Storage of Greensboro, Inc.	24,431	26,066	506,325	580,019
Denham Moving & Storage, Inc.	N/A	18,158	N/A	189,573
Dixie Moving & Storage Co., Inc.	1,594	2,520	355,854	507,900
Dun Mar Moving Systems	42,591	88,229	509,486	616,367
East Spencer Moving Corp., The	9,831	14,335	9,831	14,335
Edwards, James Woodrow	16,627	4,578	16,627	4,578
Farrar Transfer & Storage Warehouse, Inc.	80,130	36,358	556,751	443,640
Fayetteville Moving & Storage, Inc.	14,171	20,009	818,883	984,091
Fidelity Moving & Storage Co., Inc.	29,385	35,908	552,768	618,569
Fleming-Shaw Transfer & Storage, Inc.	60,827	48,546	540,196	692,239
Four Seasons Moving Co.	32,619	36,156	99,389	119,861
Fox Brothers	11,403	25,035	88,212	112,536
Gasperson Transfer, Inc.	30,107	30,410	132,358	143,732
Gilbert Trucking Co.	22,052	27,418	110,996	133,730
Goldsboro Van & Storage, Inc.	3,287	1,770	123,753	113,423
Granville House, Inc.	625	0	305,522	348,871
Greenwood Transger & Storage, Inc.	0	0	11,450	48,402
Griffin Transfer & Storage Co., Inc.	10,091	57,960	156,759	164,062
Grose, J.R., Transfer Co.	8,569	8,534	46,510	50,713
Halls Transfer	22,303	21,205	70,849	75,931
Harrison Moving and Storage, Inc.	64,632	63,874	142,300	169,135

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Harvel's Cliff, Moving Co.	$31,781	$31,114	$95,883	$107,616
Haywood Transfer & Storage	16,429	20,922	332,572	317,066
Hester Transfer & Storage, Inc.	N/A	0	N/A	18,443
Highland Moving and Storage Co., Inc.	0	0	301,679	281,309
Hill, I.H. Transfer & Storage	1,246	2,251	108,023	106,268
Hodges Transfer & Storage	5,455	17,240	131,360	145,844
Horne Storage Co., Inc.	N/A	41,444	N/A	1,619,925
Horton Grading Co., Inc.	0	0	39,884	91,123
Humphrey, Troy Moving and Storage, Inc.	737	962	294,697	384,758
Ingle Transfer & Storage Co., Inc.	25,781	29,179	584,668	698,943
Isenhower Transfer & Storage Co., Inc.	47,003	48,352	336,442	362,163
Jones, Henderson S.	33,778	21,064	41,854	21,864
Keever Moving Service, Inc.	0	0	29,259	33,276
Kepley Moving & Storage, Inc.	6,099	9,721	66,803	62,100
Kinston Moving & Storage, Inc.	11,598	5,985	71,097	76,274
Ladd, J.E., & Son	8,757	5,759	53,921	57,426
Lentz Transfer and Storage Co.	N/A	75,403	N/A	954,722
Long Transfer, Inc.	N/A	9,905	N/A	106,966
McCauley Bros. Moving & Storage, Inc.	10,140	7,305	266,982	266,504
McCauley Moving & Storage of Fayetteville, Inc.	32,513	90,923	301,440	467,972
May Moving of Goldsboro, Inc.	690	3,360	347,668	403,760
Mercer's Moving & Hauling	4,389	6,380	46,119	29,359
Merchant's Moving & Storage, Inc.	1,245	4,318	186,811	248,276
Morehead Moving & Storage, Inc.	31,480	30,881	181,907	167,615
Move-It Co.	14,428	9,330	146,894	164,830
Murray Transfer & Storage Co., Inc.	N/A	59,688	N/A	734,195
North America Trf. & Stg. of Asheville, Inc.	45,345	49,281	301,077	268,267
North Carolina Movers, Inc.	N/A	42,190	N/A	722,495
Owens, W.N., and Sons Transfer & Storage	29,853	11,821	339,978	519,655
Pannell Transfer	15,503	15,199	15,503	15,199
Patterson Storage Warehouse Co., Inc.	67,996	65,472	895,452	977,810
Piedmont Home Delivery & Service Co.	44,374	42,845	44,374	42,845
Piedmont Van & Storage Co., Inc.	3,720	399,393	316,075	481,170
Pilot Van Lines, Inc.	0	0	882	940
Port City Transfer & Storage Co.	0	14,140	147,686	86,019
Queen City Moving & Storage	26,678	27,316	669,759	640,474
Raleigh Bonded Warehouse, Inc.	26,230	26,333	117,929	137,769
Raleigh Furniture Storage Co., Inc.	48,963	41,314	393,774	407,841
Ray Manly Moving	29,472	18,362	32,273	24,384
Reliable Van & Storage, Inc.	4,291	6,554	572,231	643,120
Roney, W.C. Trucking Co., Inc.	47,859	53,951	47,859	53,951
Rucker Moving & Storage Co., Inc.	43,635	57,618	607,005	564,944

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Russell Transfer Co., Inc.	$78,202	$78,814	$459,206	$583,888
Salisbury Moving & Storage	6,763	30,772	7,213	30,772
Sandhills Bonded Warehouse	0	23,643	132,527	136,778
Sanford Transfer & Storage Co.	4,190	6,320	27,267	46,405
Seaboard Moving & Storage, Inc.	0	0	882	981
Sells Service, Inc.	45,154	35,802	279,376	305,780
Service Moving & Storage Co.	1,999	4,196	276,375	575,452
Sheets Transfer & Storage Co., Inc.	44,452	56,990	581,086	752,298
Smith, Elton C. Jr., Moving Co.	43,234	40,987	99,325	91,359
Smith Transfer & Storage	2,992	5,593	11,315	13,883
Smith, W.E., Moving Co., Inc.	580	0	90,801	163,851
Staley, Moving Vans	2,068	7,250	5,619	11,480
Standard Moving & Storage, Inc.	573	0	360,227	241,430
Stanley's Transfer Co., Inc.	N/A	10,974	N/A	392,055
State Moving & Storage, Inc.	0	3,519	184,930	289,437
Sunbelt Moving Systems, Inc.	N/A	49,999	N/A	592,045
Tar Heel Moving & Storage, Inc.	73,701	85,283	217,686	327,298
Terminal Storage Co., Inc.	2,063	4,164	196,632	258,098
Thomas Transfer, Inc.	N/A	N/A	191,302	N/A
Tri-City Moving & Storage, Inc.	N/A	364,272	628,016	892,020
Tryon Moving & Storage, Inc.	7,482	14,027	251,690	249,573
Turner's Moving Service	N/A	N/A	N/A	56,382
Umstead Bros., Inc.	235,166	269,387	235,166	269,387
Union Transfer & Storage Co., Inc.	32,226	45,685	427,088	516,019
Watson Moving and Storage, Inc.	23,726	36,056	98,016	248,350
Weathers Bros. Moving & Storage Co., Inc.	0	0	3,681	787,834
Welch Moving & Storage Co., Inc.	55,033	102,462	642,160	831,311
West's Durham Transfer & Storage, Inc.	28,666	23,168	399,997	239,399
Whitley, Abe, Moving & Storage, Inc.	41,176	59,760	589,388	949,787
Wile Transfer & Storage Co., Inc.	19,058	10,585	322,794	344,933
Williams, R.M., Moving Service	35,866	40,123	72,812	83,152
Williams Transfer & Storage, Inc.	25,081	26,372	128,339	176,515
Willis Moving and Storage, Inc.	15,122	17,989	147,097	174,647
Wilmington Moving & Storage	0	0	179,389	126,050
Wright Motor Lines, Inc.	N/A	0	N/A	214,506
Wyatt, George Junior	12,660	16,179	12,660	28,284
Total	$3,510,691	$5,398,945	$32,084,412	$43,841,308

General Commodities Carriers	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
A-1 Wrecker Service of Chatham County, Inc.	$4,596	$6,033	$155,756	$150,815

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
A & J Motor Lines, Inc.	$105,220	$168,935	$105,220	$168,935
A.J.S. Trucking Co.	375,215	444,345	375,215	444,345
Ace Transport, Ltd.	452,622	578,412	452,712	578,464
Adams, Ricky Joe	N/A	15,378	N/A	N/A
Airport Transportation Service, Inc.	0	589,647	581,438	589,647
Alamance Trans. & Stge. Co., Inc.	N/A	0	N/A	71,560
Alexander Trucking of Davidson, Inc.	95,763	113,559	101,450	113,559
Anthony's Cargo Express, Inc.	N/A	N/A	N/A	160,013
Armored Protective Service, Inc.	0	243,371	242,735	243,371
Arndt Trucking, Inc.	129,304	185,426	386,271	414,469
Atlantic Oil Service, Inc.	14,376	17,871	14,376	17,871
Ausley, Cecil Thomas	0	168,571	68,512	168,571
Avery Trucking Co., Inc.	0	0	526,495	740,640
B & B Lines, Inc.	46,337	69,315	173,410	259,386
B & C Trucking Co., Inc.	72,498	90,095	72,498	90,095
B & L Trucking Co., Inc.	0	0	128,350	82,175
B & P Trucking	45,900	55,114	45,900	N/A
B & W Grain & Feed Service, Inc.	209,370	201,248	847,841	839,549
B-Freight Lines, Inc.	17,435	10,218	117,147	138,987
BHL Transport, Inc.	N/A	51,515	N/A	51,515
Baker, Johnie Royster	9,970	6,111	9,970	N/A
Barco Pick-Up and Delivery	N/A	21,101	N/A	21,101
Barnes, J.A. and Son, Inc.	N/A	0	N/A	78,226
Barrett Textile Transport, Inc.	83,592	13227	183,788	19,956
Beasley Transport, Inc.	0	0	111,330	140,944
Beeline Carriers, Inc.	234,775	226,947	234,775	226,947
Bell Truck Line	15,257	10,123	105,310	81,744
Best Cartage, Inc.	100,598	113,615	100,598	113,615
Bestway Express, Inc.	20,495	443,483	20,495	443,483
Best Way Motor Lines, Inc.	N/A	0	N/A	618,275
Big "R" Delivery Service	N/A	15,000	N/A	15,000
Blevins Motor Express	64,507	63,531	68,486	66,317
Blue Bird-Diamond Taxi Association	49,742	53,635	49,742	53,635
Bostick, James Richard	0	0	50,452	47,953
Bre-Dav Transportation, Inc.	0	31,854	217,985	165,169
Breeze Transportation, Inc.	38,017	234,503	38,017	234,503
Bright Belt Motor Lines, Inc.	20,251	41,302	377,033	558,054
Broglin's Delivery Service	63,985	67,188	63,985	67,188
Brothers Delivery Co., Inc.	15,545	51,145	41,658	77,276
Brothers, Jack Wayne	36,637	39,573	36,637	N/A
Brown Oil & Transit Co., Inc.	206,667	233,915	206,667	233,915
Bryson Machinery Movers & Riggers, Inc.	68,222	93,050	72,911	113,419
Bud's Trucking	N/A	28,170	N/A	28,170
CLP Enterprises	27,038	67,037	540,756	670,372
C.S. Transport, Inc.	447,192	458,620	798,557	849,296
CSC Erectors, Inc.	560,304	583,375	560,304	624,181

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Campbell Trucking, Inc.	$90,466	$91,562	$135,131	$142,376
Carolina Carriers, Inc.	884,148	691,797	884,148	990,001
Carolina Cartage Co.	5,434	2,298	35,721	2,298
Carolina Haulers, Inc.	256,056	272,293	256,056	272,293
Carolina Movers & Riggers, Inc.	73,379	51,177	73,379	51,177
Carolina Storage Corp.	232,526	248,380	336,402	371,150
Carolina Tanklines, Inc.	176,982	157,208	622,359	854,557
Carolina Taxi & Industrial Transportation, Inc.	17,061	6,531	22,126	17,872
Carpenter Trucking Co., Inc.	319,569	401,764	390,701	491,904
Carr Transport, Inc.	192,471	270,660	192,471	270,660
Cason Companies, Inc.	N/A	3,889	N/A	246,238
Cauthen Gin & Bag Co., Inc.	167,902	215,476	712,091	770,139
Cencar Services, Inc.	426,944	338,787	426,944	338,787
Central Feeds, Inc.	0	N/A	56,980	165,200
Charlotte Bay Trading Co.	N/A	72,483	N/A	374,554
Charlotte Merchants Delivery, Inc.	10,000	8,000	10,000	8,000
Charlotte Transportation Co., Inc.	410,276	591,817	410,276	591,817
Christie, Craig L.	52,585	58,608	52,585	58,608
Citizen Express, Inc.	0	141,042	562,093	177,475
Clark, J.B., III	N/A	25,200	N/A	428,579
Clark, Osker A.	6,876	113,874	6,876	113,874
Commercial Warehouse, Inc.	46,939	49,641	46,939	49,641
Cook & Sons, Inc.	44,708	34,105	134,220	423,570
Cooley Transport, Inc.	85,000	62,400	341,269	373,378
Cotton Growers Warehouses, Inc.	90,573	118,888	174,178	189,071
Cromartie Transport Co., Inc.	157,496	345,431	474,648	569,789
Culberson Motor Lines, Inc.	147,470	175,259	810,719	935,369
Custom Freight, Inc.	0	22,958	33,921	42,646
Daily Delivery Service	N/A	19,386	N/A	19,386
Davis Transportation Co.	25,005	32,404	25,005	32,404
Delivery Service, Inc.	N/A	31,500	N/A	31,500
Dependable Feed Service, Inc.	123,607	89,476	123,607	89,476
E & B Corp.	12,745	N/A	12,745	1,338
East Carolina Cartage Co.	179,480	175,063	426,250	579,110
Eastern Courier Corp.	104,325	99,685	417,299	398,731
Eastern Delivery Service, Inc.	200,000	200,000	252,306	348,278
Economy Transport, Inc.	78,951	75,284	78,951	75,284
Essick, Ike C.	21,240	24,200	91,390	124,150
Eure, C.H. Trucking, Inc.	0	N/A	12,613	8,118
Evans, Charles	N/A	46,605	N/A	46,605
Faircloth, Henry, Transfer, Inc.	226,763	200,179	270,523	200,179
Fanelli Brothers Trucking Co.	0	0	2,559	2,534

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Federal Motor Express, Inc.	$244,445	$264,405	$244,245	$264,405
Federated Transport, Inc.	220,940	214,387	220,940	214,387
Foothills Trucking Co., Inc.	0	0	741,555	801,987
Ford's Contracting Service	1,207	0	32,349	50,311
Fowler, M.M., Inc.	353,585	456,086	353,585	456,086
Freeman Contract Service, Inc.	14,056	31,213	159,055	345,823
Fuel Oil Service Co., Inc.	141,370	95,763	197,269	95,763
Furrell Chip Co.	77,510	38,014	77,510	38,014
G & S Riggers and Movers	24,205	20,819	24,205	20,819
Gate City Delivery Service	N/A	12,087	N/A	12,087
Gibson, John Louie	0	0	16,387	12,926
Gilbert, Transfer Co.	257,174	252,129	371,899	415,847
GOCO Transportation Inc.	66,094	N/A	66,094	56,734
Godwin Transport Co., Inc.	45,355	27,410	45,355	27,410
Grady Moving & Storage, Inc.	N/A	N/A	N/A	37,612
Graham, Garland, R.	3,144	7,688	3,144	7,688
Gray, George E. Jr., Trucking Co.	N/A	71,528	N/A	311,033
Greene Haulers, Inc.	106,041	80,591	106,041	80,591
Gupton, Donald L.	0	N/A	69,000	72,000
HCMA, Inc.	N/A	30,000	N/A	730,000
Haigler Trucking Co.	53,648	80,075	534,646	635,126
Harris, William L.	83,379	98,358	83,379	98,358
Hester's Transfer	0	0	75,477	55,061
Hickory Merchant's Delivery	122,826	125,859	122,826	125,859
High Point Delivery Co., Inc.	32,370	41,522	32,370	41,522
Hill-Top Transport	251,429	243,164	281,476	261,560
Hobgood Transport, Inc.	134,728	21,919	134,728	21,919
Hodges, Ed F., Inc.	117,475	121,600	117,475	121,600
Holland Transfer Co.	150,886	134,509	746,730	822,104
Holt, H.R.	170,324	193,404	170,324	193,404
Honeycutt, J.B., Co., Inc.	431,661	102,143	431,661	605,759
Hopkins D.O., Trucking, Inc.	0	N/A	54,725	44,027
Hopper Bros.	13,746	14,153	13,746	14,153
Howell Transfer	18,014	33,782	145,266	254,621
Huffman, P.T., Transfer, Inc.	623,310	655,322	636,320	655,322
Hughes Trucking	0	N/A	47,294	53,719
Industrial Asphalt Transport, Inc.	212,489	306,161	439,242	564,262
Inman, Gene, Trucking, Inc.	69,900	142,436	250,049	175,894
Ives Transport, Inc.	115,717	69,345	115,717	69,345
J.D. Transport, Inc.	49,715	123,929	49,715	126,750
Jackson Trading Co., Inc.	0	N/A	95,293	180,770
Jackson, Stacy W., Trucking	N/A	3,451	N/A	25,281

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Jenkins, J.W., Inc.	$111,502	$148,374	$111,502	$148,374
Jennings Trout Farm	N/A	930	N/A	N/A
John's Auto Repair, Inc.	70,091	70,327	277,332	334,703
Johnny's Transfer Co., Inc.	296,938	384,539	670,831	700,954
Johnson, Richard Kim	69,029	74,220	69,029	74,220
Jones Transfer, Inc.	5,535	6,450	263,980	217,195
Joyner Trucking Co.	2,648	3,614	173,402	194,901
KBD Services, Inc.	76,150	121,787	76,150	121,787
Kendall Trucking & Grading	400,012	9,220	585,012	249,220
Kindle's Pick-Up & Delivery	112,328	221,383	112,328	221,383
King, Neb, Inc.	3,900	4,000	3,900	4,000
LDF, Inc.	183,604	192,362	588,771	752,924
L.U. Carriers, Inc.	0	N/A	840,445	927,981
Lawndale Transportation Co.	4,859	61,849	24,859	61,849
Leary Bros. Storage Co., Inc.	1,169	2,235	10,917	12,203
Lewis & Lewis Trucking Co.	N/A	113,212	N/A	179,702
Liberty Trucking	N/A	53,905	N/A	53,905
Lockwood Brothers, Inc.	0	N/A	142,385	150,830
Longleaf Wood Prod.	N/A	400	N/A	400
Lovette Company	N/A	86,757	N/A	86,757
Loving, T.A., Co.	81,705	79,143	81,705	79,143
Lumbee Trucking Co., Inc.	340,421	342,461	643,063	664,123
McCotter, J.D.	18,876	25,082	31,460	76,006
McKeithan, Julian Blue	29,240	44,322	29,240	44,322
McKinney, James Garland	0	0	2,849	8,857
McLeod, Daniel Thomas	N/A	35,624	N/A	35,624
McLeod Trucking and Rigging Co., Inc	55,092	29,721	187,658	310,450
M & H Trucking Co., Inc.	0	0	56,299	26,717
Magann Carolina, Inc.	N/A	0	N/A	325,000
Mangum, C.C., Inc.	43,322	66,893	49,622	69,419
Marshall E.F., Contract Carrier	9,499	72,785	9,499	72,785
Martin Motor Lines, Inc.	1,013	1,063	1,225	1,282
Martin, Roger E., Inc.	0	0	735,646	749,214
Martin, W.M., Co., Inc.	6,781	6,683	6,781	6,683
Media Express, Inc.	N/A	256,893	N/A	777,905
Metro Transport Co., Inc.	197,262	91,062	256,934	149,058
Mickel, David Jessie Trucking Co.	N/A	0	N/A	179,770
Mid-State Delivery Service, Inc.	980,000	988,000	980,000	988,000
Mid-State Service Co., Inc.	57,082	81,621	57,082	81,621
Mini-Haul, Inc.	108,023	117,577	108,023	117,577
Mitchell, Cyrus A., Jr.	1,531	1,359	1,531	1,359
Mitchell Express, Inc.	0	44,402	43,545	44,402
Moore, J.W., Inc.	0	0	233,302	202,679
Moore's Express	13,428	34,784	424,001	616,341
Morgan Trucking Co.	0	0	181,425	242,406

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues 1983	North Carolina Regulated Revenues 1984	Total Company Revenues 1983	Total Company Revenues 1984
Morven Freight Lines, Inc.	$183,561	$243,164	$499,738	N/A
Mullis, Brandon L., Inc.	3,050	7,535	127,708	39,838
N.C. Transport, Inc.	443,280	105,833	542,870	850,787
Neuse Transport, Inc.	152,532	193,892	152,532	197,949
Newson Transports, Inc.	60,325	121,989	125,233	139,896
Nichols, A.T., Trucking Co., Inc.	427,481	328,567	427,481	328,567
NonStop Carrier	N/A	114,632	N/A	114,632
Nordan Transportation Co., Inc.	6,365	7,286	6,365	7,286
Norris, Elwood, Inc.	0	0	90,410	93,410
Northside Storage Co., Inc.	4,421	39,423	18,179	39,423
North State Land & Timber Co.	N/A	225	N/A	30,725
Ormond, W.W., Transfer Co., Inc.	0	0	155,491	157,269
PDC Trucking Co.	173,218	58,763	330,560	179,168
Package Delivery Service of Durham, N.C.	37,728	44,823	37,728	44,823
Parker, Donald C.	63,020	59,283	63,020	59,283
Parsons, O.G. Trucking Co.	160,000	171,200	160,000	171,200
Perry, Stanly Kent	6,500	0	6,500	73,000
Petroleum Transport Co., Inc.	269,634	286,665	269,634	286,665
Pick-Up & Delivery Service, Inc.	640,425	569,000	640,425	934,000
Piedmont Delivery Service, Inc.	79,110	76,806	79,110	76,806
Piedmont Fuel & Distributing Co., Inc.	413,760	687,203	413,760	701,004
Piedmont Paper Stock Co., Inc.	40,162	64,041	40,162	64,041
Pope Transport Co.	N/A	158,190	N/A	158,190
Pope's Mobile Home Moving, Inc.	N/A	8,660	N/A	16,133
Public Transport Corp.	448,799	524,093	448,799	524,093
Quinn, James Elwood Inc.	N/A	0	N/A	875,000
Raleigh Delivery Service, Inc.	421,195	719,764	421,195	719,764
Rapid Transit	81,452	89,065	81,452	89,065
Rawley, J.W.	31,163	N/A	48,720	43,149
Raymac Supply Co.	30,057	5,320	125,240	139,918
Regional Storage & Transport, Inc.	182,726	230,717	828,065	554,125
Re-Jim, Inc.	0	0	137,795	110,443
Rivers Trucking, Inc.	244,153	451,618	464,468	520,358
Riverside Transportation Co., Inc.	46,124	4,312	517,640	43,074
Roberts, C.C., Concrete Construction Co., Inc.	0	0	217,352	355,701
Rocket Express, Inc.	N/A	57,935	N/A	579,352
Rogers Transportation Co., Inc.	877,924	712,410	877,924	712,410
Rogers Trucking Co., Inc.	N/A	22,679	N/A	1,485,641
Rosdahl, Lloyd, Machinery Riggers, Inc.	0	0	189,245	249,305
S & R Wrecker Service, Inc.	93,321	107,110	516,429	624,826
S & W Motor Lines, Inc.	0	0	934,213	943,799
STG Transport, Inc.	269,927	381,472	269,927	381,472
Salisbury Moving and Storage	N/A	8,620	N/A	8,620

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Sampson Tobacco Warehouse, Inc.	$0	$0	$18,297	$32,345
Sanders, Ervin	0	0	66,069	75,710
Self Scrap & Metal Co.	0	0	4,142	3,134
Shepard Motor Lines, Inc.	42,431	118,382	66,400	228,500
Smith, Alvin Alexander	0	0	221,724	136,132
Smith, Larry D.	25,185	20,729	38,285	20,729
Snow, Ted B.	N/A	0	N/A	57,648
South Atlantic Bonded Warehouse Corp.	496,317	555,540	532,438	582,555
South Freight Service, Inc.	531,501	558,719	619,364	789,719
Southern Freight Service, Inc.	72,318	65,657	72,318	65,657
Southern Hobgood	N/A	292,887	N/A	292,887
Southern Spindle & Flyer Co.	25,649	21,286	143,908	106,314
Stainback Trucking, Inc.	290,267	301,677	290,267	301,677
State Trucking Co.	510,584	545,272	924,817	545,272
Stegall Milling Co., Inc.	91,245	165,593	91,217	175,222
Stewart, Herman	N/A	39,608	N/A	39,608
Stiller, James Richard	45,363	73,461	45,363	73,461
Stonecutter Trucking Co., Inc.	N/A	99,053	N/A	935,743
Stox Trucking Co.	N/A	26130	N/A	311,807
Swain, Bob Inc.	N/A	0	N/A	N/A
Swann, A.D., Trucking Co., Inc.	90	0	730,011	969,492
Tappan Carriers, Inc.	723,575	701,539	723,575	701,539
Tar Heel Industries, Inc.	506,722	523,575	506,722	523,575
Tarheel Transport, Inc.	574,754	627,270	574,754	627,270
Textile Transportation, Inc.	N/A	0	N/A	867,829
Thomas Jimmy Edward	42,476	38480	52,326	46,165
Thompson, David, Trucking Co.	42,719	47,062	382,780	418,327
Tilton's Delivery Service	0	0	43,098	93,574
Timber Trucking Co., Inc.	111,369	67,525	381,611	201,718
Tol-Co., Inc.	16,621	14,515	120,207	113,038
Transport South, Inc.	53,117	N/A	53,117	2,614,778
Triad Transport, Inc.	129,903	157,011	129,903	157,011
Triangle Express	56,370	84,553	56,370	84,553
Tri-County Transport, Inc.	161,080	138,428	161,080	138,428
Truck Transfer Service, Inc.	0	0	62,222	125,754
Tultex Transportation, Inc.	187,484	159,312	225,216	222,611
2800 Corporation	418,178	600,049	591,295	729,898
Twin City Warehouses, Inc.	N/A	9,880	N/A	86,392
Tyler, James L.	70,362	80,276	70,362	80,276
UTF Carriers, Inc.	N/A	N/A	N/A	6,924,786
Valley Transfer, Inc.	513,100	549,558	513,100	549,558
Waccamaw Transport, Inc.	264,525	325,318	264,525	325,318
Waco Drivers Service, Inc.	8,411	87,673	535,640	305,667
Walker Transfer, Inc.	15,257	3,169	277,095	256,053

FIGURE NO. 9-3 CONTINUED

	North Carolina Regulated Revenues		Total Company Revenues	
	1983	1984	1983	1984
Wall Delivery Service, Inc.	$13,679	$520,608	$242,205	$520,608
Watson Transportation Co.	13,186	14,902	13,186	14,902
Watts Trucking Co.	N/A	12,799	N/A	68,684
Weaver, Edward H. Trucking Co.	41,805	12,976	41,805	111,129
White, Donnie Trucking	N/A	710	N/A	N/A
White Transfer & Storage Co., Inc.	96,886	72,140	96,886	72,140
Wicker Services, Inc.	722,400	577,910	722,400	577,910
Wilco Transport Co., Inc.	575,079	572,774	575,079	572,774
Wilkinson Freight Lines, Inc.	N/A	N/A	N/A	299,577
Willetts Brothers Trucking	5,326	5,242	10,124	8,385
Williams, Melvin Douglas	0	0	64,419	62,173
Yelton Trucking Co., Inc.	N/A	1,169,524	N/A	1,659,792
Young Transfer	526,625	593,203	745,569	859,586
Zackly Rite Trucking Inc.	18,210	0	874,757	738,476
Total	$29,921,753	$36,787,317	$55,834,387	$82,954,756
Grand Total of all Class III Carriers	$35,632,871	$46,146,879	$90,766,791	$132,161,050
Total Number of all Class III Carriers listed in this data		519		

FIGURE NO. 9-4

MOTOR FREIGHT CARRIERS--CLASS I AND II
SUMMARY OF SELECTED DATA--INCOME, EXPENSES AND STATISTICAL ITEMS
FOR THE CALENDAR YEARS 1983 AND 1984
(DOLLARS IN 000S)

CLASS I CARRIERS

	1983	1984	% Change More(Less) 1983-1984
Number of Companies Included in this Data	130	130	0
North Carolina Regulated Revenues	$280,479	$174,630	(37.7)
Operating Data (Systemwide):			
Operating Revenues	$10,863,960	$12,606,301	16.0
Operating Expenses	$9,974,567	$11,783,413	18.1
Net Operating Income	$889,393	$822,888	(7.5)
Operating Ratio (Percent)	91.8	93.5	1.9
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	16,375	24,993	52.6
Total Salaries Paid ($-000s)	$408,173	$617,050	51.2

CLASS II CARRIERS

	1983	1984	% Change More(Less) 1983-1984
Number of Companies Included in this Data	114	114	0
North Carolina Regulated Revenues	$52,658	$74,051	40.6
Operating Data (Systemwide):			
Operating Revenues	$186,335	$293,958	57.8
Operating Expenses	$177,000	$280,319	58.4
Net Operating Income	$9,335	$13,639	46.1
Operating Ratio (Percent)	95.0	95.4	.4
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	6,730	7,573	12.5
Total Salaries Paid ($-000s)	$47,629	$62,447	31.1

GRAND TOTALS CLASSES I & II

	1983	1984	% Change More(Less) 1983-1984
Number of Companies Included in this Data	244	244	0
North Carolina Regulated Revenues	$333,137	$248,681	(25.4)
Operating Data (Systemwide):			
Operating Revenues	$11,050,295	$12,900,259	16.7
Operating Expenses	$10,151,567	$12,063,732	18.8
Net Operating Income	$898,728	$836,527	(6.9)
Operating Ratio (Percent)	91.9	93.5	1.7
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	23,105	32,566	40.9
Total Salaries Paid ($-000s)	$455,802	$679,497	49.1

The number of carriers in each classification changes each year because of the companies' growth in revenue and the changes every few years in the level of revenues required to qualify for the Class I and II classifications. Therefore, the use of this data for comparative purposes must be used with discretion.

X. The Transportation Industry - Motor Passenger Carriers

A. General Comments

1. Regulated Privately Owned Sectors

For the purpose of filing annual reports, both the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) authorized the following classifications effective January 1, 1980, for the motor passenger carriers:

CLASSIFICATION REQUIREMENTS

Class I $3,000,000 or more annual operating revenues

Class II $500,000—$3,000,000 annual operating revenues

Class III Under $500,000 annual operating revenues

At December 31, 1984, there were 113 motor passenger carriers franchised to operate under the regulation of the North Carolina Utilities Commission. See Figure No. 10-1 for a list of the companies and their scope of operations. The two bus systems operated by Duke Power Company are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these two carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operations. The remaining 111 carriers are fully regulated by the Commission. Of these remaining carriers 62 are transportation brokers and three are motor boat common carriers. Transportation brokers, as herein used, means any person not a bonafide employee or agent of a motor carrier who engages in the business of selling or offering for sale any transportation of passengers by motor carriers for compensation either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges for this type of service. There is no operating data for these 65 carriers involved in this report. Operating data is included for the 41 motor passenger carriers who filed 1984 annual reports with the Commission.

2. Nonregulated Publicly Owned Sector

The North Carolina Utilities Commission has no jurisdiction over most of the passenger transit systems serving the intracity traffic and the urban and rural areas. However these systems are providing transportation to large numbers of intracity passengers as shown by the following ridership figures:

Unregulated Intracity Ridership	
Calendar Year	Passengers
1981	22,866,452*
1982	22,553,958*
1983	21,221,389*
1984	21,291,471*

Since July 1, 1974, there has been a Public Transportation Division (PTD) within the Department of Transportation. The PTD administers several federal grant programs and a state grant program as well as fostering the development of the public transportation in North Carolina. For further information on this agency's activities, the N.C. Department of Transportation, P. O. Box 25201, Raleigh, North Carolina 27602, should be contacted.

*Source: Public Transportation Division--North Carolina Department of Public Transportation--Systems included in the data are Asheville, Chapel Hill, Charlotte, Fayetteville, Gastonia, Greenville, High Point, Raleigh, Salisbury, Wilmington, Wilson, and Winson-Salem. The bus systems in Durham and Greensboro are regulated and owned by Duke Power Company. The ridership for these systems is ommitted from this data.

Bus Deregulation

The Bus Regulatory Reform Act of 1982 enacted by Congress granted intercity bus companies wide-ranging freedoms to adjust their services and

rates. Under this Act, if an intercity bus company files with the Commission for an increase in its rates, and the Commission approves a level of rates which is less than that requested, the carrier can then appeal the Commission's decision to the ICC. Under the Bus Act, the ICC is compelled to grant the carrier the full relief sought if the intrastate rates are less than similar interstate rates. Since the enactment of the Bus Act, all proceedings in which the Commission denied the rate relief sought in whole or in part, and the request was appealed to the ICC, the ICC granted the full relief sought. See Figure No. 10-5.

B. Intercity Motor Passenger Carriers

Financial and statistical data is presented for the 30 regulated intercity carriers having separate operations during 1983 and 1984 who filed annual reports with the North Carolina Utilities Commission. The intercity carriers have franchised and operating rights to serve two or more points and are further classed and operate as common or contract carriers over interstate or intrastate routes.

The following table shows the breakdown of these classifications as of December 31, 1983, and 1984:

Classification	1983 Number of Carriers	1984 Number of Carriers
Class I	4	4
Class II	8	9
Class III	16	17
Total	28	30
Type Carrier		
Common	28	30
Contract	0	0
Total	28	30
Scope of Operations		
Interstate	11	12

C. Fare Increases Authorized--Intercity

The following intercity motor passenger carriers were authorized passenger fare increases in 1984:

(a) Greyhound Lines, Inc. (Docket No. B-7, Sub 101) 20%
(b) Seashore Transportation Co. (Docket No. B-79, Sub 24) Passenger-9.86%, Express-11.70%
(c) Trailways Southeastern Lines,Inc. (Docket No. B-69, Sub 139) 32%
(d) Carolina Coach Co. (Docket No. B-15, Sub 190) Passenger-71.3%, Express-28%, Charter-15.2%
(e) Seashore Transportation Co. (Docket No. B-79, Sub 25) 12.5%

D. Statistical Summary Data--Intercity

In 1984 the four Class I intercity motor carriers accounted for 72.7% of the North Carolina total intercity gross operating revenues including the Class III carriers, almost 1.4% lower than the 73.7% in 1983. For their North Carolina operations the 1984 carriers experienced a 2.9% increase from their 1983 operations.

Systemwide operations for the Class I carriers in 1984 showed an increase of 4.0% in operating revenues compared to 1983. There was a decrease of 1.0% in operating expenses in 1984. The operating ratio was 104.5% in 1983 as compared to 99.5% in 1984.

E. Intracity Motor Passenger Carriers--Comments

During 1983 and 1984 there were eleven intracity carriers operating under the jurisdiction of the North Carolina Utilities Commission who filed their annual reports. These intracity carriers are grouped as follows regarding size, type and scope or operations.

Classification	1983 Number of Carriers	1984 Number of Carriers
Class I	0	0
Class II	2	2
Class III	9	9
Total	11	11
Type Carrier		
Common	9	10
Contract	2	1
Total	11	11
Scope of Operations		
Interstate	1	0

There have been no fare increases authorized to intracity bus carriers since 1981.

F. Statistical Summary Data--Intracity

Figure No. 10-4 shows a summary of selected income items and operational statistics for the calendar years 1983 and 1984 for the intracity motor passenger carriers. There are no Class I carriers presently in this group. Information is given for the eleven carriers who filed 1984 annual reports.

FIGURE NO. 10-1
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1984

	Scope of Operations		
Class I Carriers	Interstate	Intercity	Intracity
Carolina Coach Co.	X	X	
Greyhound Lines, Inc.	X	X	
Seashore Transportation Co.	X	X	
Trailways Southeastern Lines, Inc. (B)	X	X	
Total-4 Carriers	4	4	0
Class II Carriers			
American Charters Ltd.		X	
American Trailways of Georgia (C)	X	X	X
Carolina American Tours	X	X	X
Duke Power Company-Durham (A)			X
Duke Power Company-Greensboro (A)			X
Kannapolis Transit Co., Inc.	X	X	X
Piedmont Coach Lines, Inc.	X	X	
Safety Transit Tours of Eden		X	
Southern Coach Co.	X	X	
Triad Lines, Inc.		X	X
Wilson Bus Co., Inc.		X	
Young's Transportation	X	X	X
Total -12 Carriers	6	10	7
Class III Carriers			
Archie's Bus & Transit Services			X
Asheville Outings, Inc.			X
Blue Ridge Lines, Inc.		X	
Carolina Transit Lines of Charlotte		X	X
Dillahunt, John T.		X	X
Dills & Carpenter Transit		X	
Emma Bus Lines, Inc.			X
Hannack, J.H.		X	
Harrelson, Mrs. R.L. & Company		X	
Houston Transport Co., Inc.		X	X
Jones Bus Company			X
Joshlis Charters		X	
King's Bus Service		X	
Lake Gaston Bus Service		X	X
Mars Hill-Weaverville Bus Line, Inc.		X	X
McBroom Coach, Inc.		X	
Moore Brothers Transportation		X	
New Hope Charter			X
Nooney Bus Lines, Inc.		X	
Outer Banks Transit Company, Inc.		X	

FIGURE NO. 10-1 CONTINUED

	Interstate	Intercity	Intracity
Piedmont Transit, Inc.		X	X
Pirate Explorers Transportation		X	X
Pleasure Island Limousine Service			X
Rockingham-Hamlet Bus Line		X	X
Scenic Tours, Inc.		X	
Silver Fox Lines		X	
Suburban Bus Lines		X	
T & D Tours		X	X
Trans-Service, Inc.		X	X
Travelines of Carolina, Ltd.		X	X
Virginia Dare Transportation Co., Inc.	X	X	X
Williams Transit Service	X		
Total-32 Carriers	2	25	18
Motor Boat Common Carriers			
Carteret Boat Tours, Inc.		X	
Morris Marina, Kabin Kamps & Ferry Service, Inc.		X	
Willis, Alger G. Fishing Camps, Inc.		X	
Total-3 Carriers	0	3	0
Transportation Brokers			
Activity Designers of Raleigh		X	
Albertson, Charles W.		X	
Beamer, Nancy, Tours		X	
Big "C" Tours		X	
Brantley Tours		X	
Bullock Tours		X	
Cardwell Tours		X	
Carolina Tours		X	
Carousel of Raleigh		X	
Charlotte Visitours		X	
Circle Tours		X	
Coastal Host		X	
Country Cottage Tours		X	
Colonial Ventures, Inc.		X	
Convenient Tours		X	
Cowan Tours		X	
Cristal Tours		X	
Custom Travel Services		X	
Davis Tours		X	
Daybreak Sing, Inc.		X	
E & T Tours		X	
Edwards, Patricia T.		X	
Five Star Tours		X	
Gough Tours		X	
Great Getaway Tours		X	
Green, Conley F., Sr.		X	

FIGURE NO. 10-1 CONTINUED

	Interstate	Intercity	Intracity
Group & Individual Travel		X	
Hawfields Community Travelers		X	
Hazel, Kay Tours		X	
Hepler Tours		X	
Heritage Tours		X	
Holiday Tours		X	
Hubbard Tours		X	
International Tourist Group		X	
Introducing Asheville		X	
Jaunts & Journeys		X	
Johnston Lion's Club /		X	
Long's Travel Agency, Inc.		X	
Manning Tours, Inc.		X	
Meetings, Inc.		X	
Mike's Travels & Adventures		X	
Moore Tours, Inc.		X	
New Bern Guided Tours		X	
N.C. First Tours		X	
North State Heritage Tours		X	
Northeastern Travel Services		X	
P & B Travels		X	
Per-Flo Tours, Inc.		X	
Piedmont Tours of Burlington, Inc.		X	
Scurlock's Travel & Tours		X	
Sheryl's Tours, Inc.		X	
Shopping Sprees-A Division of Topics, Inc.		X	
Smoky Mountain/Highland Tours, Inc.		X	
Talks, Tours, & Things		X	
Thacker, Ginger Tours		X	
Touring Buddies		X	
Travel Professionals, Inc.		X	
Travel Time of Salisbury		X	
Travel Tours, Inc.		X	
Trekmaker		X	
Western Carolina Tours, Inc.		X	
Williams, Roy B.		X	
Total-62 Companies	0	62	0
Grand Total-113 Companies	12	104	25

Footnotes:

(A) Franchised by municipalities; fares only regulated by the N.C. Utilities Commission.

(B) Has both intercity and intracity operations, but for statistical purposes will be treated as an intracity carrier since most operating revenue is derived from intracity operations.

(C) Has both intercity and intracity operations, but for statistical purposes will be treated as an intercity carrier since most operating revenue is derived from intercity operations.

FIGURE NO. 10-2*

MOTOR PASSENGER CARRIERS--INTERCITY--CLASSES I & II

Summary of Selected Income Items and Operational Statistics

For the Calendar Years 1983 and 1984

(North Carolina and Systemwide Data Noted)

		Carolina Coach Company	Greyhound Lines, Inc.	Seashore Transportation Company	Trailways Southeastern Lines, Inc.	Total Class I	America Charters Ltd.	American Trailways of Georgia	Carolina American Tours	Kannapolis Transit Co., Inc. (1)	Piedmont Coach Lines	Safety Transit Tours Of Eden, Inc.	Southern Coach Company	Tried Lines, Inc. (2)	Wilson Bus Co., Inc.	Young's Transportation (3)	Total Class II
Operating Revenues (N.C. Portion):	1983	$13,141,166	$6,816,373	$3,102,131	$3,114,529	$26,174,199	$1,272,043	$75,948	$1,714,935	$394,929	$754,217	$633,249	$477,778	$493,998	$1,297,696	$851,451	$7,966,240
	1984	$13,078,286	$8,259,012	$3,028,952	$2,563,257	$26,929,507	$1,403,307	$198,885	$2,494,657	$626,196	$795,976	$567,341	$454,707	$549,233	$1,317,839	N/A	$8,408,141
Income Items (Systemwide):																	
Operating Revenues	1983	$27,657,263	$702,303,440	$3,598,201	$18,660,296	$752,219,200	$1,272,043	$1,827,085	$1,714,935	$394,929	$1,371,303	$633,249	$1,118,486	$495,463	$1,297,969	$891,451	$11,016,913
	1984	$26,299,356	$736,428,128	$3,595,569	$15,861,446	$782,184,499	$1,403,307	$1,733,957	$2,494,657	$626,196	$1,421,385	$567,341	$1,029,744	$555,191	$1,317,839	N/A	$11,149,617
Operating Expenses	1983	$22,073,910	$743,303,532	$3,145,138	$17,380,888	$785,903,468	$1,140,033	$1,648,704	$1,520,447	$381,810	$1,258,586	$606,044	$1,142,415	$478,205	$1,135,426	$917,422	$10,230,092
	1984	$22,441,187	$737,512,099	$3,354,453	$14,833,787	$778,141,525	$1,302,864	$1,717,752	$2,511,264	$587,372	$1,215,614	$625,406	$1,072,823	$542,167	$1,240,051	N/A	$10,815,313
Net Operating Income Before Taxes	1983	$5,583,353	($41,000,092)	$453,063	$1,279,408	($33,684,268)	$132,010	$178,381	$194,488	$13,119	$112,717	$27,205	($24,929)	$17,258	$162,543	($25,971)	$786,821
	1984	$3,858,169	($1,083,970)	$241,116	$1,027,659	$4,042,974	$100,443	$16,205	($16,607)	$38,824	$205,771	($58,065)	($43,079)	$13,024	$77,788	N/A	$334,304
Other Income (Deductions)--Net	1983	($95,326)	$17,442,307	$45,518	($1,429,417)	$15,963,082	($62,406)	$22,813	($224,783)	$270	($62,217)	($64,866)	$124,127	($4,691)	($116,706)	($127,752)	($516,211)
	1984	($401,281)	$34,754,200	($2,609)	($1,506,875)	$32,761,435	($96,972)	$86,048	($31,780)	$55,195	($58,331)	$34,646	$141,467	($23,728)	($85,690)	N/A	$20,855
Income Taxes	1983	$2,686,873	($16,380,718)	$194,202	($100,903)	($13,600,546)	$525	$0	$0	$0	$8,818	$0	$2,303	$506	$1,321	$0	$14,473
	1984	$1,822,544	$11,527,000	$91,557	($225,722)	$13,215,379	($3,559)	$0	$0	$4,592	$24,742	$0	$4,091	$8	$0	N/A	$29,874
Extraordinary Items	1983	$0	$11,040,575	$0	$0	$11,040,575	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1984	$0	$0	$0	$441,238	$441,238	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	$0
Net Income After Taxes	1983	$2,801,154	$3,863,508	$304,379	($49,106)	$6,919,935	$69,079	$201,194	($30,295)	$13,389	$41,682	($37,661)	$95,895	$12,061	$44,516	($153,723)	$256,137
	1984	$1,554,344	$22,143,230	$146,950	$187,744	$24,032,268	$7,030	$102,253	($48,387)	$89,427	$122,698	($23,419)	$94,297	($10,712)	($7,902)	N/A	$325,285
Operating Ratio	1983	79.8%	105.8%	87.4%	93.1%	104.5%	89.6%	90.2%	88.7%	96.7%	91.8%	95.7%	102.2%	96.5%	87.5%	102.9%	92.6%
	1984	85.3%	100.1%	93.3%	93.5%	99.5%	92.8%	99.1%	100.7%	93.8%	85.5%	110.2%	104.2%	97.7%	94.1%	N/A	97.0%
Statistics (N.C. Only):																	
Total Bus Miles Operated	1983	6,073,484	4,583,721	1,917,915	4,103,239	16,673,359	313,671	82,526	562,193	165,187	363,859	120,350	265,846	999,725	830,093	N/A	$3,703,450
	1984	5,792,425	5,609,328	1,957,906	3,654,131	17,013,790	421,615	84,459	509,250	105,669	322,067	209,175	248,067	1,044,996	548,467	N/A	$3,493,765
Length of bus route--miles--one way (actual)	1983	2,103	1,442	666	2,926	7,137	N/A	86	26	N/A	61	N/A	24	N/A	N/A	75	$272
	1984	2,103	1,444	739	2,612	6,898	N/A	86	N/A	N/A	55	N/A	24	N/A	N/A	N/A	$165
Total gallons gasoline purchased or used	1983	0	0	4,158	0	4,158	0	0	7,035	0	0	0	7,941	N/A	10,099	21,220	$46,295
	1984	0	0	3,855	N/A	3,855	0	0	0	0	0	N/A	7,060	N/A	N/A	N/A	$7,060
Total gallons diesel fuel purchased or used	1983	858,855	876,445	249,739	764,665	2,749,704	N/A	6,033	119,967	31,595	111,754	68,639	66,757	72,295	101,700	146,733	$725,473
	1984	696,580	1,098,946	298,661	585,175	2,679,362	N/A	1,975	139,972	26,284	N/A	41,835	72,169	80,297	141,859	N/A	$504,391

*Footnotes for this chart are on the following page.

FIGURE NO. 10-2 CONTINUED

		Carolina Coach Company	Greyhound Lines, Inc.	Seashore Transportation Company	Trailways Southeastern Lines, Inc.	Total Class I	America Charters Ltd.	American Trailways of Georgia	Carolina American Tours	Kannapolis Transit Co., Inc. (1)	Piedmont Coach Lines	Safety Transit Tours of Eden, Inc.	Southern Coach Company	Triad Lines, Inc. (2)	Wilson Bus Co., Inc.	Young's Transportation (3)	Total Class II
*No. of tickets sold which originated in N.C.	1983	471,535	155,454	255,921	N/A	882,910	N/A	N/A	N/A	N/A	N/A	0	43	N/A	N/A	0	$43
	1984	468,359	229,478	199,702	N/A	897,539	N/A	N/A	N/A	N/A	N/A	0	26	N/A	N/A	N/A	$26
*Revenue for tickets originating in N.C.	1983	$7,756,757	$4,960,020	$2,869,525	$2,139,644	$17,725,946	N/A	N/A	N/A	N/A	N/A	N/A	$554	$219,527	N/A	$0	$220,081
	1984	$7,329,813	$6,341,147	$2,492,627	$1,694,762	$17,858,349	N/A	N/A	N/A	N/A	N/A	$0	N/A	$177,317	N/A	N/A	$177,317
*Average revenue per ticket originating in N.C.	1983	$16.45	$31.91	$11.21	N/A	$20.08	N/A	N/A	N/A	N/A	N/A	N/A	12.89	N/A	N/A	$0	$0
	1984	$15.65	$27.63	$12.48	N/A	$19.90	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0
Other revenue originating in N.C. by charter & express	1983	$5,284,409	$1,856,353	$659,420	$974,885	$8,875,067	N/A	N/A	N/A	N/A	N/A	$614,972	$1,117,346	N/A	N/A	$85,000	$1,817,318
	1984	$5,748,473	$1,917,865	$2,030,004	$868,495	$10,564,837	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$1,317,839	N/A	$1,317,839
Statistics (Systemwide):																	
No. revenue passengers carried	1983	2,188,899	44,906,583	462,560	1,200,121	48,758,163	N/A	N/A	82,150	N/A	N/A	22,350	63,018	N/A	N/A	56,000	$223,518
	1984	1,943,595	45,007,654	402,331	969,042	48,322,622	N/A	N/A	35,630	N/A	N/A	N/A	59,372	N/A	18,826	N/A	$113,828
Average fare per passenger carried (actual)	1983	$9.65	$13.90	N/A	$10.54	$11.36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0
	1984	$10.10	$14.82	N/A	$11.37	$16.25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0
Total number of buses owned (actual)	1983	224	3,753	36	N/A	4,013	22	16	33	5	30	14	18	15	32	31	$216
	1984	200	1,964	35	82	2,281	23	17	22	7	28	N/A	17	16	28	N/A	$158
Total number of buses in service at year-end	1983	62	1,916	33	107	2,118	16	11	8	N/A	12	0	10	14	N/A	26	$97
	1984	61	1,765	25	82	1,933	14	N/A	N/A	N/A	16	N/A	10	14	N/A	N/A	$54
Average no. of employees (actual)	1983	472	13,833	78	408	14,791	18	33	48	9	20	13	16	5	47	12	$221
	1984	353	12,848	76	255	13,532	25	29	50	13	16	16	15	5	46	N/A	$215

* Excludes charter & school passengers
N/A Not Available

(1) In 1983 Kannapolis Transit Co., Inc., was considered an intracity carrier. However the majority of their 1984 revenues were derived from intercity operations. Therefore this company will be treated as an intercity carrier.

(2) In 1983 Triad Lines, Inc., was a Class II intercity carrier. In 1984 their increased revenues positioned them in the Class II category.

(3) Young's Transportation Company filed an annual report with the North Carolina Utilities Commission indicating there were no operations in 1984.

FIGURE NO. 10-3
MOTOR PASSENGER CARRIERS--INTERCITY--CLASS III
Summary of Total Revenues and Expenses
For the Calendar Years 1983 and 1984

Company	Total Company Operating Revenues 1983	1984	Total Company Operating Expenses 1983	1984	Operating Ratio 1983	1984
Asheville Carriage Co. (1)	$20,946	N/A	$39,815	N/A	190.1%	N/A
Blue Ridge Lines, Ltd.	358,143	349,127	366,615	374,033	102.4	107.1
Joshlis Charter	3,118	20,470	10,507	20,474	337.0	100.0
King's Bus Service	1,200	35,500	5,757	50,425	479.8	142.0
Lake Gaston Bus Service	3,127	N/A	3,019	N/A	96.5	N/A
McBroom Coach, Inc.	109,930	138,952	100,642	146,782	91.6	105.6
Moore Brothers Transportation Co., Inc.	168,658	N/A	94,245	65,620	55.9	N/A
New Hope Charter, Inc.	N/A	68,047	N/A	66,086	N/A	97.1
Nooney Bus Lines, Inc.	60,280	57,740	61,410	58,378	101.9	101.1
Outer Banks Transit, Inc.	N/A	22,065	N/A	81,003	N/A	367.1
Piedmont Transit, Inc.	N/A	175,243	N/A	134,577	N/A	76.8
Rockingham-Hamlet Bus Line	3,008	3,923	5,198	5,557	172.8	141.7
Scenic Tours, Inc.	N/A	14,723	N/A	17,029	N/A	115.7
Silver Fox Lines, Inc.	2,400	N/A	3,000	2,395	125.0	N/A
Statesville Motor Coach (2)	417,310	N/A	N/A	N/A	N/A	N/A
Suburban Bus Lines, Co., (3)	1,200	1,160	39	N/A	3.3	N/A
T & D Tours	N/A	314,658	N/A	492,521	N/A	156.5
Trans-Service, Inc.	N/A	257,496	N/A	232,940	N/A	90.5
Virginia Dare Transportation Co., Inc.	210,846	231,395	272,677	295,422	129.3	127.7
Williams Transit Service	N/A	6,461	N/A	8,072	N/A	124.9
Total	$1,360,166	$1,696,960	$962,924	$2,051,314	102.1%	117.0%

N/A Not Available

(1) The operating revenues for Asheville Carriage Service include income from noncarrier operations.

(2) Statesville Motor Coach is no longer franchised to operate.

(3) The operating revenues represent net rental income

FIGURE NO. 10-4 *
MOTOR PASSENGER CARRIERS--INTRACITY--CLASSES II & III (1)
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1983 and 1984

		Class II			Class III											
		Duke Power Durham	Duke Power Greensboro	Total Class II	Archie's Bus & Transit	Carolina Transit Lines of Charlotte	Conover Bus Lines	Dillahunt John T.	Dills & Carpenter Transit	Ecoa Bus Lines	Houston Transport Co.	Jones Bus Co.	Lake Gaston Bus Service	New Hope Charter	Pirate Explorers Transportation	Total Class III
North Carolina Operations Only																
Operating Revenues	1983	$826,927	$535,622	$1,362,549	$24,756	$390,452	$33,427	$6,400	N/A	$176,156	$211,439	N/A	N/A	$5,868	N/A	$848,498
	1984	$880,427	$576,341	$1,456,768	$2,000	$336,122	N/A	$5,060	$28,855	$186,758	$181,184	$53,590	$84,116	N/A	$6,120	$883,805
Operating Expenses	1983	$2,222,598	$1,693,213	$3,915,811	$5,860	$306,626	$29,826	$18,388	N/A	$178,526	$173,977	N/A	N/A	$7,432	N/A	$720,635
	1984	$2,382,103	$1,777,698	$4,159,801	N/A	$281,359	N/A	$6,615	$34,571	$184,865	$173,364	$60,707	$81,835	N/A	$12,306	$835,622
Net Operating Income Before Taxes	1983	($1,395,671)	($1,157,591)	($2,553,262)	$18,896	$83,826	$3,601	($11,988)	N/A	($2,370)	$37,462	N/A	N/A	($1,564)	N/A	$127,863
	1984	($1,501,676)	($1,201,357)	($2,703,033)	N/A	$54,763	N/A	($1,555)	($5,716)	$1,893	$7,820	($7,117)	$2,281	N/A	($6,186)	$46,183
Other Income or (Deductions)--Net	1983	$0	$0	$0	$0	$2,438	N/A	$0	N/A	($5,652)	($12,762)	N/A	N/A	($1,548)	N/A	($17,524)
	1984	$0	$0	$0	N/A	$28,132	N/A	$0	$0	($4,753)	$0	($5,146)	$17,752	N/A	($425)	$35,560
Income Taxes--Net	1983	$0	$0	$0	$0	$19,822	N/A	$0	N/A	$0	$5,129	N/A	N/A	$0	N/A	$24,951
	1984	$0	$0	$0	N/A	$4,398	N/A	$0	$0	$0	$1,862	$501	$4,013	N/A	$0	$10,774
Net Income After Taxes	1983	($1,395,671)	($1,157,591)	($2,553,262)	$18,896	$66,442	N/A	($11,988)	N/A	($8,022)	$19,571	N/A	N/A	($3,112)	N/A	$81,787
	1984	($1,501,676)	($1,201,357)	($2,703,033)	N/A	$78,497	N/A	($1,555)	($5,716)	($2,860)	$5,958	($12,764)	$16,020	N/A	($6,611)	$70,969
Operating Ratio	1983	268.8%	316.1%	287.4%	23.7%	78.5%	N/A	287.3%	N/A	101.3%	82.3%	N/A	N/A	126.6%	N/A	84.9%
	1984	270.6%	308.4%	285.5%	N/A	83.7%	N/A	130.7%	119.8%	99.0%	95.7%	113.3%	97.3%	N/A	201.1%	94.5%
Statistics (Actual) Systemwide																
Length of bus route-miles-one way	1983	52	70	122	N/A	N/A	N/A	46	N/A	8	N/A	N/A	N/A	N/A	N/A	54
	1984	52	82	134	N/A	N/A	N/A	46	N/A	6	11	N/A	30	N/A	N/A	93
Total no. of buses owned	1983	41	30	71	3	7	N/A	1	N/A	19	14	N/A	N/A	1	N/A	45
	1984	39	30	69	N/A	8	N/A	N/A	2	20	N/A	N/A	3	N/A	2	35
Average no. of buses operated daily	1983	22	17	39	3	N/A	N/A	1	N/A	1	11	N/A	N/A	1	N/A	17
	1984	22	17	39	N/A	N/A	N/A	1	1	11	N/A	N/A	1	N/A	N/A	14
Total bus miles operated-yearly	1983	881,400	737,805	1,619,205	N/A	150,639	N/A	45,000	N/A	269,344	117,374	N/A	N/A	N/A	N/A	582,357
	1984	879,525	716,082	1,595,607	N/A	235,051	N/A	30,000	N/A	182,143	N/A	N/A	23,400	N/A	11,000	481,594
Total revenue passengers hauled during year	1983	2,137,969	1,311,252	3,449,221	N/A	27,677	N/A	N/A	64,923	N/A	N/A	N/A	N/A	N/A	N/A	92,600
	1984	2,289,322	1,405,197	3,694,519	N/A	27,338	N/A	N/A	N/A	85,511	N/A	N/A	N/A	N/A	800	113,649
Total school passengers hauled during year (Included in total passengers hauled)	1983	144,191	10,233	154,424	N/A	N/A	N/A	N/A	41,644	N/A	N/A	N/A	N/A	N/A	N/A	41,644
	1984	160,289	9,925	170,214	N/A	N/A	N/A	N/A	N/A	57,988	N/A	N/A	N/A	N/A	N/A	57,988
Average number of bus drivers	1983	41	35	76	N/A	4	2	N/A	N/A	N/A	3	N/A	N/A	N/A	N/A	9
	1984	42	32	74	N/A	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4

*Footnotes for this chart are on the following page.

FIGURE NO. 10-4 CONTINUED

		Duke Power Durham	Duke Power Greensboro	Total Class II	Archie's Bus & Transit	Carolina Transit Lines of Charlotte	Conover Bus Lines	Dillahunt John T.	Dills & Carpenter Transit	Essa Bus Lines	Houston Transport Co.	Jones Bus Co.	Lake Gaston Bus Service	New Hope Charter	Pirate Explorers Transportation	Total Class III
Average number of full time N.C. employees	1983	68	73	141	N/A	6	3	N/A	10	N/A	20	N/A	N/A	N/A	N/A	39
	1984	71	69	140	N/A	6	N/A	N/A	N/A	10	N/A	N/A	N/A	N/A	0	16
Total N.C. salaries and wages paid	1983	$1,265,819	$1,014,701	$2,280,520	N/A	$116,863	N/A	N/A	N/A	N/A	$59,954	N/A	N/A	N/A	N/A	$176,817
	1984	$1,329,623	$1,031,287	$2,360,910	N/A	$107,056	N/A	N/A	N/A	$57,920	N/A	N/A	N/A	N/A	$0	$164,976

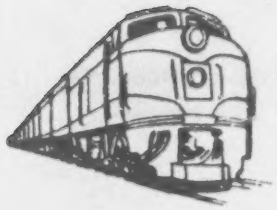
(1) Due to reclassification effective 1-1-80, there are no Class I carriers classified as intracity.

N/A A report was filed but this information was not available.
N/R No report was filed with the N.C. Utilities Commission.

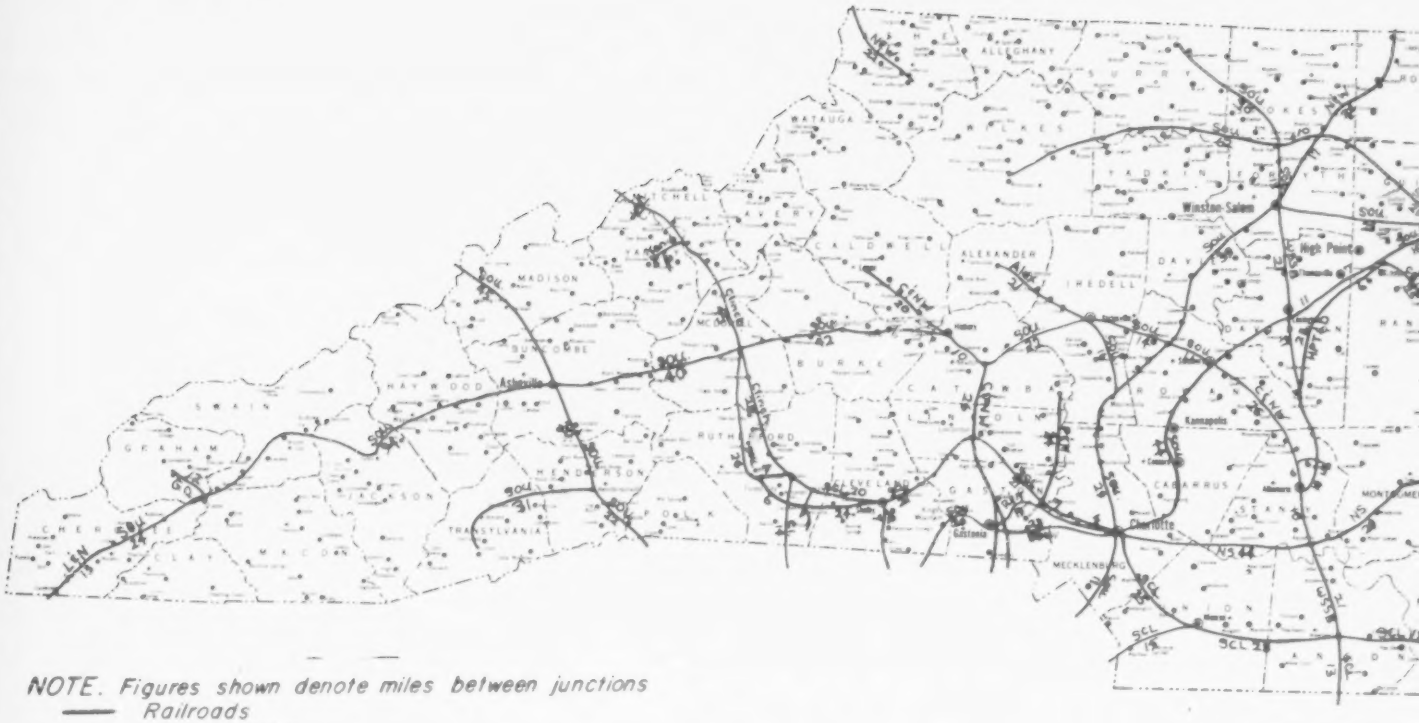
FIGURE NO. 10-5

Cases Appealed to Interstate Commerce Commission (ICC)
For the Year 1984
Rates on Passenger Fares

Company	Docket Number	Date NCUC Granted Partial Increase	% Requested by Company	% Granted by NCUC	% Granted by ICC
Greyhound Lines, Inc.	B-7,Sub 101	5-10-84	20.00%	0.00%	20.0%
Trailways Southeastern Lines	B-69,Sub 139	8-29-84	32.00%	20.00%	32.0%
Carolina Coach Co.	B-15,Sub 190	10-11-84	71.3% Passenger	12.43%	71.3%
			28.0% Express	12.43%	28.0%
			15.2% Charter	15.20%	15.2%



XI. The Transportation Industry—Railroads



NOTE. Figures shown denote miles between junctions

— *Railroads*

o *County Seats*

• *Other Towns or Junctions*

FIGURE 11-1

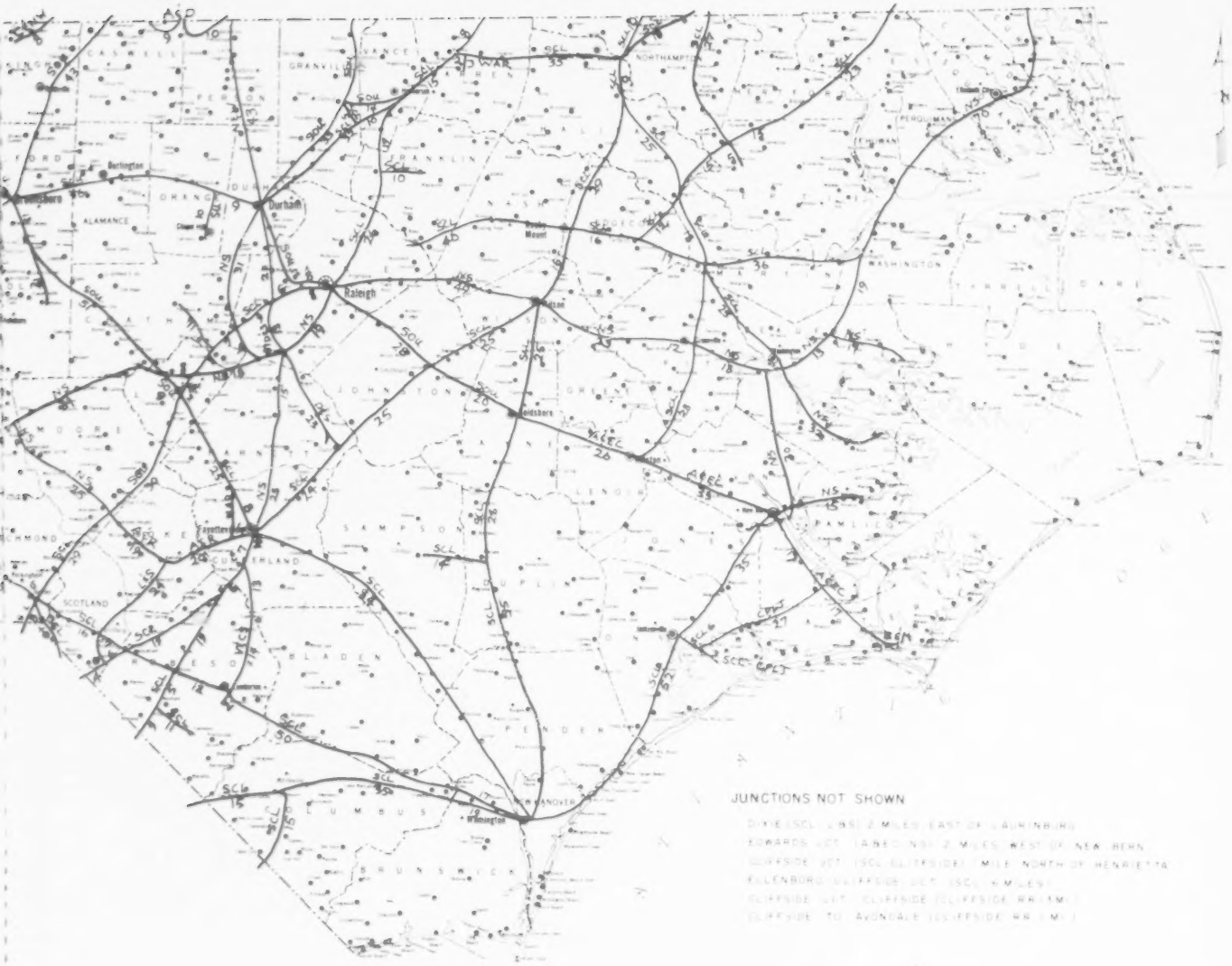
MAP OF

NORTH CAROLINA RAILROADS

PREPARED BY

NORTH CAROLINA UTILITIES COMMISSION

RALEIGH, N.C.



JUNCTIONS NOT SHOWN

DIXIE (SCL JUNC 2 MILES EAST OF LAURINBURG)

EDWARDS JCT. (ABEC-NSR 2 MILES WEST OF NEW BERN)

CLIFFSIDE JCT. (SCL-CLIFFSIDE) 1 MILE NORTH OF HENRIETTA)

KILLENBORO (CLIFFSIDE JCT. (SCL) 1 MILE EAST)

CLIFFSIDE JCT. (CLIFFSIDE-ROCKY MT.)

CLIFFSIDE TO AVONDALE (CLIFFSIDE-ROCKY MT.)

A. RAILROAD COMPANIES OPERATING IN NORTH CAROLINA IN 1984

Twenty railroad companies operated 3,467 miles of trackage in North Carolina as of December 31, 1984. Figure No. 11-1 is a map of the North Carolina Railroad System and Figure No. 11-2 shows a list of railroads franchised to operate as of December 31, 1983 and 1984. The State's rail system is well-developed with service available to many towns and to all regions of the state. Ninety of the state's one hundred counties receive rail service.

In North Carolina railroads are viewed as a very important element in the State's total freight transportation system, delivering many of the materials needed to run North Carolina's economy. The State's agricultural and wood product industries have relied on convenient and economical rail service. The coal-fired utility plants, which generate electricity for North Carolina industries, depend on rail for coal delivery.

In January 1978 the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) reclassified the railroads as follows:

Class I--$50 million or more annual revenues
Class II--$10 million to $50 million annual revenues
Class III--Less than $10 million annual revenues

At December 31, 1984, there were three Class I railroads, one Class II railroad and sixteen Class III railroads.

Although there are twenty separately identified rail companies serving North Carolina, most of the state's rail transport needs are provided by two large, well-established companies. Seaboard System Railroad Company and Southern Railway Company, together with their affiliates, control over 90% of the track-miles located in the state. The other Class I railroad presently serving North Carolina is Norfolk-Western Railway Company, which recently merged with Southern to form the Norfolk Southern Corporation.

B. PASSENGER SERVICE THROUGH NORTH CAROLINA

In North Carolina railroads not only contribute to commodity movements, they also provide for intercity passenger movements. During 1984 four trains per day provided regularly scheduled passenger service. Each was owned and operated by the National Railroad Passenger Corporation (AMTRAK). AMTRAK was established in 1970 to relieve railroads of the responsibility of providing rail passenger services. When AMTRAK was formed only two railroads provided passenger service in North Carolina: Seaboard Coast Line Railroad Company (SCL) and Southern Railway Company (Sou).

Seaboard Coast Line Railroad Company joined AMTRAK, and as a result AMTRAK now operates passenger trains over the rails of SCL Nos. 81 and 82, The Silver Star, between New York and Miami, Florida, with stops at Raleigh and Hamlet, North Carolina; Nos. 83 and 84, The Silver Meteor, between Boston, Massachusetts, and Miami, Florida, serving Rocky Mount, North Carolina, as a conditional stop; and Nos. 85 and 86, The Champion, operating between Boston, Massachusetts, and St. Petersburg, Florida, with stops at Rocky Mount, Wilson, and Fayetteville, North Carolina.

On April 6, 1978, Southern Railway Company filed an application with the ICC to discontinue operation of its last passenger train operating in North Carolina. On or about February 1979 AMTRAK took over and began operation of the Southern Crescent, Nos. 1 and 2, operating between Washington, D.C., and Atlanta, Georgia, which was the last independent rail service in North Carolina provided on regular schedules.

The federal budget cuts made in 1981 forced major revisions in AMTRAK's overall service but did not affect service to North Carolina. With the addition of new or rebuilt equipment on all North Carolina routes, service has become more attractive and reliable;

however, increased fare may be necessary to absorb the cost of these improvements.

C. RAIL SAFETY ACTIVITY BY COMMISSION

During 1984, as in previous years, the Utilities Commission was very active in the investigation and surveillance of the condition of rail trackage and other rail equipment and facilities in an effort to minimize the frequency and severity of rail accidents caused by inadequate maintenance and/or malfunctioning equipment.

During the period 1973-1984 the Commission enlarged the scope of its rail safety program by the addition of three Rail Safety Engineers whose sphere of responsibility includes the inspection of all rail trackage and rail equipment in North Carolina.

The duties of these three engineers encompassed on-site inspection of track conditions and equipment and investigations of train accidents. A written report is filed concerning each inspection, and any defect found is required to be corrected. In addition to on-site inspections, these engineers also conduct inspections of company records to ensure compliance with the rail safety regulations. The Federal Railroad Administration reimburses the transportation division for 50% of their expenditures in this rail safety program.

D. MOBILE AGENCY CONCEPT AND STATION CLOSING IN NORTH CAROLINA

Mobile Agency Concept

A major innovation in rail freight transportation has been the implementation, upon Commission approval after investigation and hearing, of a mobile agency concept in North Carolina. This concept has replaced the fixed agent (serving one town on a five-day, 40-hour week or less basis) with a mobile agent operating a special radio-equipped van, serving by highway several small towns in a given area. On a variable route six days per week, the agent calls on railroad customers in their respective places of business, rather than the customer having to go to the railroad station as in the past.

The area served by the mobile agent is also served by a special telephone system connected to a central, or base agency, station manned 13 hours per day, six days per week. This station is connected by a Telex system to a car information computer center. Any customers in the area, by dialing a special number, can talk directly to the personnel in the base agency toll free and conduct such business with the railroad as is necessary. In addition the base agent, by using the Telex system, can relay almost immediately any car information a customer requests. The base agent, the mobile agent, and the train crews in the vicinity are in constant communication with each other by radio so that customers can be served efficiently.

This concept, with some variations, is in effect in many places throughout the State. The latest mobile agency stations were approved in 1984:

Mobile Agency Stations Approved

R-29, Sub 515 10-2-85 Asheville Close Freight Agency Stations of Hendersonville and Pisgah Forest and establish a new Mobile Agency Station SOU-NC-16.

Stations Closings

The railroads in 1985 and 1986 continued their activity in consolidating their freight handling operations by requesting permission from the Utilities Commission to discontinue freight handling facilities at several locations. The requests by the companies to close or discontinue service at most of the locations are based on economic factors, with the decreasing volume of freight handled at the particular location being the main reason given.

Figure No. 11-3 lists the companies, locations and facilities affected by the Commission action after

hearings with the general public located in the respective areas.

E. RAIL CROSSINGS

There were 5,475 rail crossings in North Carolina in 1984, down from 7,876 in 1983. The 1983 figure includes an estimate for the number of railway crossings owned by Southern Railway Company. In 1982 they reported more than 5,500 railway crossings in North Carolina. The 1983 total crossings figure is an estimate from the N.C. Highway Division. During 1984 there were 16 deaths and 71 injuries resulting from accidents involving highway rail crossings. In 1983 there were 19 deaths and 99 injuries. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signaling devices at them. The jurisdiction over State highway system roads and links therein, including the proration of costs of relocation and signaling devices, is in the Highway Commission, with a statutory provision that 90% of such costs are to be borne by the Highway Commission.

F. STATISTICAL SUMMARY DATA

Operating revenues of all the railroads increased in 1984 over 1983. The portion allocated to North Carolina increased 9.9% and by 11.7% for the total system. Operating expenses increased 20.4% for the North Carolina operations and 7.7% for the total system. The North Carolina operating ratio was 95.2% in 1984 compared to 86.9% in 1983. See Figure No. 11-4.

Railway freight activity in North Carolina, as reflected by the tons of revenue freight originating in North Carolina, increased 2.4% in 1984 over 1983. Figure No. 11-5 shows in detail the types of commodities carried by rail. Lumber, wood products, pulp, paper and chemicals were the leading commodities carried by rail in 1984. These commodities were well-suited for the rail mode because they are characteristically bulky, high-volume or low-value commodity types.

North Carolina's railroads constitute a well-established and significant industry. They not only support economic prosperity by contributing to state and local taxes, but they also employ many state residents. The number of employees residing in North Carolina and working for the railroads was 6,183 at year end 1984. The total compensation for railroad employees was more than $160 million with the average salary per worker at $25,904. See Figure Nos. 11-6, 11-7 and 11-8 for additional financial and statistical data on the operation of all railroads.

FIGURE NO. II-2

RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1984

Company	Main Business Office	Abbreviation	Class	Mileage Operated North Carolina 1983	North Carolina 1984	System 1983	System 1984	1984 % in N.C.
Aberdeen & Briar Patch Railway Co.	Aberdeen, N.C.	ABPR	III	0	N/A	0	N/A	N/A
Aberdeen & Rockfish Railway Co.	Aberdeen, N.C.	A&R	III	47	47	47	47	100.0
Alexander Railroad Co.	Taylorsville, N.C.	ARC	III	19	19	19	19	100.0
Atlantic & East Carolina Railway Co.	Washington, D.C.	A&EC	III	95	94	95	94	100.0
Atlantic & Western Corp.	Sanford, N.C.	ATW	III	3	3	3	3	100.0
Beaufort & Morehead Railroad Co.	Beaufort, N.C.	B&MH	III	3	3	3	3	100.0
Camp Lejeune Railroad Co.	Washington, D.C.	CLRR	III	30	30	30	30	100.0
Cape Fear Railways, Inc.	Fort Bragg, N.C.	CFR	III	32	11	32	11	100.0
Carolina & Northwestern Railway Co.	Washington, D.C.	CNW	II	672	638	817	782	100.0
Cliffside Railroad Co.	Cliffside, N.C.	Cliff	III	7	0	7	0	100.0
Fairmont & Western Railroad Co.	Laurinburg, N.C.	FWRD	III	0	12	0	12	100.0
High Point, Thomasville, & Denton Railroad Co.	Jacksonville, Fla.	HPT	III	50	N/A	50	N/A	N/A
Laurinburg & Southern Railroad Co.	Laurinburg, N.C.	LSR	III	28	N/A	28	N/A	N/A
Norfolk & Western Railway Co.	Roanoke, Va.	N&W	I	95	95	7,981	7,746	1.2
Red Springs & Northern Railroad Co.	Laurinburg, N.C.	RSNR	III	0	12	0	12	100.0
Seaboard System Railroad, Inc.	Jacksonville, Fla.	SBD	I	1,578	1,387	15,064	14,414	9.6
Southern Railway Co.	Washington, D.C.	Sou	I	1,100	1,090	5,817	5,838	18.8
State University Railroad Co.	Washington, D.C.	S.T.U.	III	10	10	10	10	100.0
Warrenton Railroad Co.	Warrenton, N.C.	W.R.R.	III	3	N/A	3	N/A	N/A
Winston-Salem Southbound Railway Co.	Jacksonville, Fla.	WSS	III	114	N/A	114	N/A	N/A
Total-20 Companies				3,806	3,467	30,120	29,029	11.9%

FIGURE NO. 11-3

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
Period 1985-1986

Docket Number	Date of Order	Location of Facility (North Carolina)	Disposition of Facility
		ATLANTIC & EAST CAROLINA RAILROAD COMPANY	
R-10, Sub 19	1-24-85	Kinston	Retire and remove Track No. 27-17
R-10, Sub 20	3-26-85	Kinston	Retire and remove Track No. 24-4
R-10, Sub 21	6-11-85	Morehead City and Goldsboro	Cancellation of authority between Morehead City and Goldsboro
		CAROLINA AND NORTHWESTERN RAILROAD COMPANY	
R-15, Sub 16	1-8-86	Greenville	Remove Track No. 148-5
		SOUTHERN RAILWAY COMPANY	
R-29, Sub 486	1-8-85	Staley	Retire and remove Track No. 98-2
R-29, Sub 491	1-24-85	Thermal City	Remove and retire Unused Team Track No. 195-1
R-29, Sub 492	1-8-85	Greensboro	Retire and remove Track No. 284-35
R-29, Sub 493	1-28-85	Liberty	Abolish Mobile Agency Route NC-8 and modify Mobile Agency Route NC-7
R-29, Sub 494	2-26-85	Hendersonville	Retire and remove Team Track No. 21-2
R-29, Sub 495	2-26-85	Siler City	Remove Track No. 105-10
R-29, Sub 496	3-7-85	Durham	Retire and remove Track No. 55-2
R-29, Sub 497	4-3-85	North Wilkesboro	Retire and remove Track No. 100-7
R-29, Sub 498	3-15-85	Burlington	Retire and remove Track No. 20-2
R-29, Sub 499	4-23-85	Greensboro	Remove Track No. 1-17
R-29, Sub 500	4-23-85	Alspaugh	Remove Track No. 30-4
R-29, Sub 501	6-21-85	Griffith	Retire and remove Track formerly serving Ervin Construction Company
R-29, Sub 502	5-24-85	Mebane	Retire and remove track
R-29, Sub 503	5-31-85	Mt. Airy	Remove Track
R-29, Sub 504	8-13-85	China Grove	Retire and remove Track No. 344-6
R-29, Sub 505	6-26-85	Murphy	Retire and remove Track that served Murphy Concrete Products Company
R-29, Sub 506	6-21-85	Buena Vista	Retire and remove Track No. 4-2
R-29, Sub 507	7-16-85	Burlington and Durham	Close Station at Burlington-Graham and add to Mobile Agency Route SOU-NC-9; Move the Mobile Agency Route SOU-NC-9 from Burlington-Graham to Durham
R-29, Sub 508	7-29-85	Asheville	Retire and remove Track 142-15
R-29, Sub 509	9-19-85	Statesville	Remove Track No. 44-4
R-29, Sub 510	8-27-85	Stantonsburg	Dispose of Depot
R-29, Sub 511	8-27-85	Catawba County	Remove Track No. 46-1
R-29, Sub 512	9-19-85	Lincolnton	Remove Track No. 66-2
R-29, Sub 513	9-11-85	Lexington	Remove Track No. 320-1

FIGURE NO. 11-3 CONTINUED

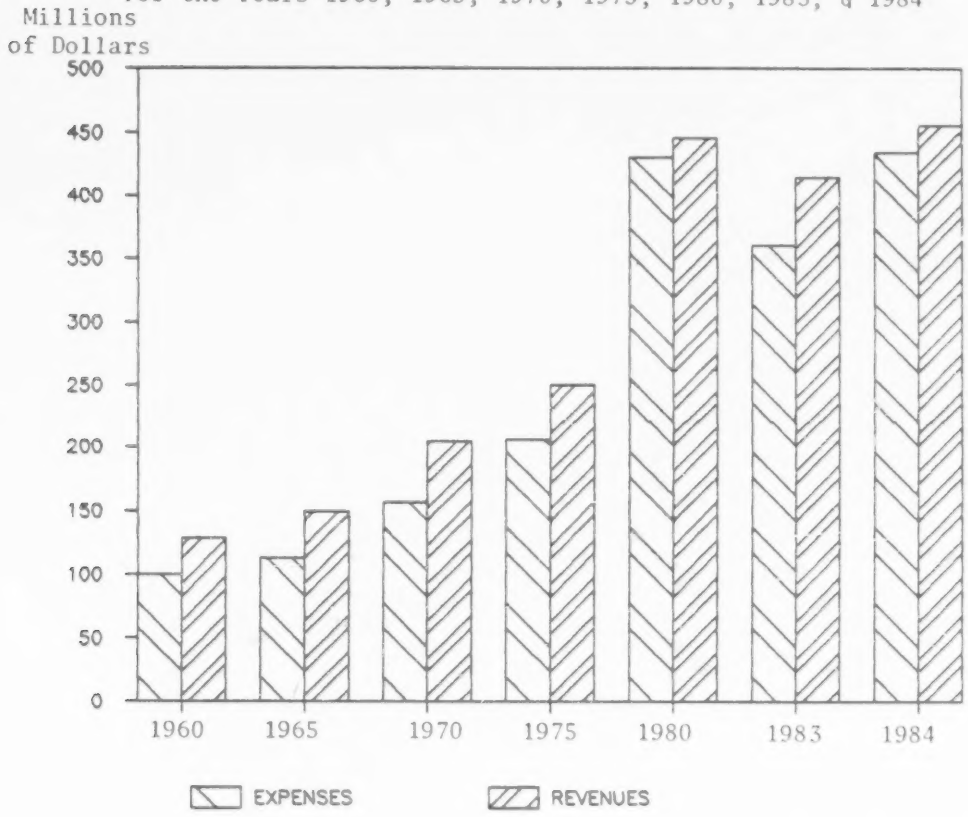
Docket Number	Date of Order	Location of Facility	Disposition of Facility
R-29, Sub 514	9-11-85	Jamestown	Remove Track No. 296-2
R-29, Sub 515	10-2-85	Asheville	Close Freight Agency Stations of Hendersonville and Pisgah Forest and establish new Mobile Agency SOU-NC-16
R-29, Sub 516	10-25-85	Buffalo	Remove Track No. S-36-1
R-29, Sub 517	1-15-86	Asheville	Close Freight Agency Station of Marshall and establish Marshall as a Non-Agency Station under the jurisdiction of the Base Station located at Asheville
R-29, Sub 520	1-3-86	Nantahala	Remove Track No. 87-2 and Nantahala
R-29, Sub 521	1-3-86	Haw River	Remove Track No. 26-5
R-29, Sub 522	1-3-86	Murphy	Remove Track No. 114-4
R-29, Sub 523	1-23-86	Concord	Remove Track
R-29, Sub 524	1-30-86	Becker	Abandon the Non-Agency Station of Becker and remove this Station from the Open and Prepay Station list
R-29, Sub 525	1-10-86	Statesville	Remove Track No. 25-9
R-29, Sub 526	1-8-86	Raleigh	Remove Track No. 81-31
R-29, Sub 527	1-3-86	Hendersonville	Remove Track No. 20-9
R-29, Sub 528	1-10-86	Conover	Remove Track No. 50-6
R-29, Sub 529	1-23-86	Concord	Remove Track No. 357-18
R-29, Sub 530	1-29-86	Charlotte	Remove Track No. 5-3 and Charlotte Junction
R-29, Sub 531	1-10-86	Troy	Remove Track
R-29, Sub 532	1-23-86	Albemarle	Remove Track serving Wiscasset Mills Company
R-29, Sub 533	1-10-86	Parkwood	Remove Track
R-29, Sub 534	1-10-86	Baldwin	Remove Track
R-29, Sub 535	1-10-86	Robbins	Remove Team Track
R-29, Sub 536	1-15-86	Cleveland	Remove Track
R-29, Sub 537	1-8-86	Raleigh	Remove Track No. 82-19
R-29, Sub 538	1-10-86	Oakboro	Remove Track
R-29, Sub 540	1-29-86	Elizabeth City	Abolish Mobile Agency Rt. NS-1; Reclassify the former Open Stations of Camden/Shawboro, Edenton, Hertford as Non-Agency Stations and place all Stations served by Mobile Agency Rt. NS-1 under the jurisdiction of the Agency at Elizabeth City except Moyock which is to be governed by the Agency at Norfolk, Virginia
		WINSTON-SALEM SOUTHBOUND RAILWAY COMPANY	
R-35, Sub 13	3-22-85	Winston-Salem	Retire Lead Track
		SEABOARD SYSTEM RAILROAD COMPANY	
R-71, Sub 134	3-22-85	Laurinburg	Retire Team Track and remove Station from the Open Prepay Station list
R-71, Sub 135	5-22-85	Acme and Wilmington	Consolidate Agency Station at Acme; Open Non-Agency Station under jurisdiction of Agency Station at Wilmington
R-71, Sub 136	7-15-85	Denver	Retire Track No. T-8 including Turnout, and amend this Station in the Open and Prepay Station list from

FIGURE NO. 11-3 CONTINUED

Docket Number	Date of Order	Location of Facility	Disposition of Facility
			a Public to Private Siding
R-71, Sub 137	7-24-85	Charlotte	Abolish existing Mobile Agency based at Shelby and relocate it to Charlotte as No. 2 Mobile Agency
R-71, Sub 139	12-27-85	Scholl	Retire Track No. SV-6 including Turnout and remove this point from the Open and Prepay Station list
R-71, Sub 140	2-11-86	Wilson and Rocky Mount	Consolidate the #1 and #2 Wilson Mobile Agency Station; Relocate the Consolidated Agency to Rocky Mount, leaving Wilson as an Open Manned Agency Station

FIGURE NO. 11-4

RAILROAD CLASSES I, II, & III
OPERATING REVENUES, EXPENSES, & RATIOS
(North Carolina Data Only)
For the Years 1960, 1965, 1970, 1975, 1980, 1983, & 1984



OPERATING RATIOS	78.7%	75.8%	77.0%	82.2%	96.7%	86.9%	95.2%

FIGURE NO. II-5

TONS (2,000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE ORIGINATING IN NORTH CAROLINA ON THE CLASS I, II, AND III RAILROADS UNDER REGULATION AT DECEMBER 31, 1984

	Group & Commodity	Class I	Class II	Class III	Grand Total
01	Farm Products	562,565	411,785	130,445	1,104,795
08	Forest Products	716	0	4,408	5,124
09	Fresh Fish & Other Marine Products	50	0	5,377	5,427
10	Metallic Ores	11,578	0	2,000	13,578
11	Coal	358	0	219	577
13	Crude, Petro, Nat. Gas & Nat. GSLN	0	0	400,451	400,451
14	Nonmetallic Minerals Except Fuels	1,567,955	453,231	20,003	2,041,189
19	Ordinance & Accessories	5,859	0	4,429	10,288
20	Food & Kindred Products	843,267	422,561	256,207	1,522,035
21	Tobacco Products	76,832	3,235	4,437	84,504
22	Textile Mill Products	93,526	3,157	130,670	227,353
23	Apparel & Other Finished Textile PRD, JNC Knit	14,373	0	0	14,373
24	Lumber & Wood Products Except, Furn.	3,898,110	183,863	95,090	4,177,063
25	Furniture & Fixtures	128,111	32,898	2,071	163,080
26	Pulp, Paper, & Allied Products	1,599,118	410,692	1,626	2,011,436
27	Printed Matter	33	0	0	33
28	Chemicals & Allied Products	1,708,565	549,043	39,553	2,297,161
29	Petroleum & Coal Products	32,522	833	1,079	34,434
30	Rubber & Miscellaneous Plastic Products	60,716	56,420	20	117,156
31	Leather & Leather Products	29	0	0	29
32	Stone, Clay, Glass, & Concrete Products	742,525	332,328	20,641	1,095,494
33	Primary Metal Products	60,588	54,501	11,563	126,652
34	Fabr. Metal Prod. Exc. Ordn. Mach. & Transpt.	17,022	606	1,560	19,188
35	Machinery, Except Electrical	4,760	0	321	5,081
36	Electrical Machinery, Equip. & Supplies	23,074	125	0	23,199
37	Transportation Equipment	12,583	278	1,165	14,026
38	Instruments, Phot. & Optical GD, Watches	418	0	0	418
39	Miscellaneous Products of Manufacturing	2,561	0	0	2,561
40	Waste & Scrap Material	700,577	104,097	39,485	844,159
41	Miscellaneous Freight Shipments	7,326	51	1,789	9,166
42	Containers, Shipping Returned Empty	27,572	290	225	28,087
44	Freight Forwarder Traffic	14,383	0	20,000	34,383
45	Shipper Assoc. or Similar Traffic	64,480	0	0	64,480
46	Miscellaneous Mixed Shipment Exc. Fwd. & Ship Assoc.	362,331	53	3,925	366,309
47	Small Package (LCL)	0	0	0	0
	Other	24,091	207,633	8,394	240,108
	Grand Total	12,668,574	3,227,680	1,207,143	17,103,397

FIGURE NO. II-6

RAILROADS--CLASS I AND II--SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1983, and 1984
(Dollars in Thousands)

	Allocation of data	1960	1965	1970	1975	1980	1983	1984	% Change More (Less) 1984-1983
No. of Companies Covered by Data:				6	6	6	4 (1)	4 (1)	
Income & Expense Items									
Operating Revenues	N.C.	$120,401	$140,701	$192,795	$237,456	$424,893	$396,141	$437,461	10.4
	Total	$1,083,951	$1,592,074	$2,072,069	$2,838,455	$5,031,260	$5,059,470	$5,651,586	11.7
Operating Expenses	N.C.	$95,518	$107,743	$150,734	$197,725	$412,898	$345,835	$419,446	21.3
	Total	$866,136	$1,141,031	$1,536,621	$2,127,880	$4,327,113	$4,393,481	$4,734,373	7.8
Net Operating Income Before Taxes	N.C.	$24,883	$32,958	$42,061	$39,731	$11,995	$50,306	$18,015	(64.2)
	Total	$217,815	$451,043	$535,448	$710,575	$704,155	$665,989	$917,213	37.7
Fixed Charges	Total	$48,233	$82,308	$123,631	$155,903	$192,466	$175,788	$171,086	(2.7)
Other Income (Deductions)	Total	($40,919)	($186,305)	($229,387)	($301,858)	$135,765	($100,522)	$392,797	---
Taxes (2)	Total	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.	$378,881	N/APL.
Net Income	Total	$128,663	$182,430	$182,430	$252,814	$647,454	$389,679	$760,043	95.0
State Income Tax	N.C.	N/A	$412	$370	$504	$2,611	$275	$565	105.5
Real Estate/Personal Property Taxes	N.C.	N/A	$3,394	$3,036	$3,420	$4,417	$5,331	$7,372	38.3
Other N.C. Taxes	N.C.	N/A	$750	$2,625	$4,279	$5,240	$3,826	$3,447	(9.9)
Total Taxes Paid or Accrued	N.C.	N/A	$4,564	$6,031	$8,283	$12,268	$9,432	$11,384	20.7
Operating Ratio	N.C.	79.3%	76.6%	78.2%	83.3%	97.2%	87.3%	95.9%	9.9
	Total	79.9%	71.7%	74.2%	75.0%	86.0%	86.8%	83.8%	(3.5)
Balance Sheet Items									
Net Book Value--Transportation Property	Total	$2,873,588	$3,816,261	$4,597,303	$5,116,622	$6,202,901	$8,148,870	$8,415,841	3.3
Statistics:									
Average Miles of Road Operated	N.C.	3,722	3,743	3,705	3,691	3,646	3,411	3,218	(5.7)
	Total	25,434	30,343	29,873	30,310	29,706	29,645	28,780	(2.9)
Freight Revenue	N.C.	$104,098	$130,134	$181,027	$230,248	$406,338	$387,531	$428,787	10.6
	Total	$958,647	$1,449,866	$1,972,758	$2,751,770	$4,885,219	$4,929,274	$5,499,668	11.6
Tons of Revenue Freight Hauled (000s)	N.C.	63,636	86,772	107,529	99,140	118,441	93,648	99,535	6.3
	Total	348,401	506,307	559,173	635,355	586,593	468,841	517,790	10.4
Freight Revenue Per Ton	N.C.	$1.64	$1.50	$1.68	$2.32	$3.43	$4.14	$4.31	4.1
	Total	$2.75	$2.86	$3.53	$4.33	$8.33	$10.51	$10.62	1.0
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	41,614	49,949	59,518	59,748	66,717	50,707	51,453	1.5
No. of Employees Allocated (3)	N.C.	9,978	7,802	6,926	6,556	6,822	6,020	5,993	0.6
Total Compensation of Employees (000s) (3)	N.C.	$56,258	$53,604	$66,378	$92,890	$138,716	$154,002	$160,162	4.0
Average Annual Compensation/Employee	N.C.	$5,163	$6,871	$9,594	$14,169	$20,334	$25,548	$26,725	4.6
Highway Railroad Grade Crossings	N.C.	3,779	3,448	3,498	3,475	6,121	7,476	5,064	(32.3)
No. Killed--Grade Crossing Accidents	N.C.	N/A	57	39	25	34	17	16	(5.9)
No. Injured--Grade Crossing Accidents	N.C.	N/A	133	175	129	95	90	71	(21.1)

(1) There were three Class I Railroad Companies and one Class II Railroad Company. See Figure No. II-2 for a listing of the Railroad Companies.
(2) Taxes have not been broken down for the total company until 1984.
(3) Estimate for 1984.

FIGURE NO. 11-7

RAILROADS--CLASS III SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1983, and 1984
(Dollars in Thousands)

	Allocation of Data	1960	1965	1970	1975	1980	1983	1984	% Change More (Less) 1984-1983
No. of Companies Covered by Data:		21	21	17	17	15	16	16 (1)	
Income & Expense Items:									
Operating Revenues	N.C.	$7,104	$8,619	$11,603	$12,702	$19,967	$18,639	$18,456	(1.0)
	Total	$9,913	$11,390	$16,371	$17,458	$26,655	$18,639	$18,456	(1.0)
Operating Expenses	N.C.	$4,771	$5,483	$6,630	$7,827	$17,396	$14,455	$14,362	(0.6)
	Total	$6,888	$7,624	$9,862	$10,585	$23,497	$14,455	$14,362	(0.6)
Net Operating Income	N.C.	$2,333	$3,136	$4,973	$4,875	$2,571	$4,184	$4,094	(2.2)
	Total	$3,025	$3,766	$6,509	$6,873	$3,158	$4,184	$4,094	(2.2)
Depreciation & Amortization	Total	N/A	N/A	N/A	N/A	N/A	N/A	$790	---
Other Income (Deductions) Net	Total	($2,751)	($2,752)	($3,524)	($4,390)	($47)	$125	$1,016	712.8
Fixed Charges	Total	$485	$615	$1,227	$492	$249	$1,245	$936	(24.8)
Net Income Before Taxes	Total	($211)	$399	$1,758	$1,991	$2,862	$3,064	$3,384	10.4
State Income Taxes	N.C.	N/A	$35	$129	$116	$166	$97	$189	94.8
Real Estate/Pers. Prop. Taxes	N.C.	N/A	$157	$122	$133	$74	$94	$54	(42.6)
Franchise Taxes	N.C.	N/A	N/A	N/A	N/A	N/A	N/A	$15	---
Other Taxes	N.C.	N/A	$331	$870	$112	$116	$1,077	$1,080	0.3
Total Taxes Paid or Accrued	N.C.	N/A	$523	$1,121	$361	$356	$1,268	$1,338	5.5
Net Income	N.C.	($211)	($124)	$637	$1,630	$2,506	$1,796	$2,046	13.9
Operating Ratio (Percent)	N.C.	67.2	63.6	57.1	61.6	87.1	77.5	77.8	0.4
	Total	69.5	66.9	60.2	60.6	88.2	77.5	77.8	0.4
Balance Sheet Items:									
Net Book Value--Transportation Property	Total	$11,797	$17,799	$22,007	$16,235	$18,315	$25,129	$16,131	(35.8)
Statistics:									
Average Miles of Road Operated	N.C.	697	721	635	478	425	441	249 (2)	(43.5)
	Total	1,037	1,028	645	661	583	441	249	(43.5)
Freight Revenue (000s)	N.C.	$6,930	$8,261	$11,442	$12,226	$17,457	$9,946	$16,440	65.3
	Total	$9,696	$10,954	$15,830	$17,043	$23,632	$9,946	$16,440	65.3
Tons of Revenue Freight Hauled	N.C.	7,348	9,961	11,155	7,542	6,987	5,280	5,263	(0.3)
	Total	9,009	11,464	13,444	9,515	8,587	5,280	5,263	(0.3)
Freight Revenue Per Ton	N.C.	$.94	$.83	$1.04	$1.62	$2.50	$2.99	$3.12	4.3
	Total	$1.08	$.96	$1.22	$1.79	$2.75	$2.99	$3.12	4.3
Gallons Diesel Fuel Purchased or Used	N.C.	1,286	1,757	2,271	1,725	2,132	382	430	12.6
No. of Employeed Allocated	N.C.	599	584	414	313	209	225	190	(15.6)
Total Compensation of Employees (000s)	N.C.	$2,514	$2,851	$5,089	$3,335	$3,906	$4,458	$4,195	(5.9)
Average Annual Compensation/Employee	N.C.	$3,529	$4,331	$7,463	$10,655	$18,689	$19,813	$22,079	11.4
Highway Railroad Grade Crossings	N.C.	640	973	864	589	644	400	411	2.8
No. Killed--Grade Crossing Accidents	N.C.	N/A	7	0	0	0	2	0	100.0
No. Injured--Grade Crossing Accidents	N.C.	N/A	11	8	6	1	9	0	100.0

(1) The following Class III Railroad Companies did not file any data with the North Carolina Utilities Commission: Aberdeen & Briar Patch Railway Co., Laurinburg & Southern Railroad Co., and Warrenton Railroad Co. (Docket No. R-26, Sub 29).

(2) Information not available from High Point, Thomasville, and Denton Railroad Company or Winston-Salem Southbound Railway Co.

FIGURE NO. 11-8

RAILROADS--GRAND TOTALS--CLASSES I, II, AND III
SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1983, and 1984
(Dollars in Thousands)

	Allocation of Data	1960	1965	1970	1975	1980	1983	1984	% Change More (Less) 1984-1983
No. of Companies Covered by Data: (1)		29	29	23	23	21	20	20	
Income & Expense Items:									
Operating Revenues	N.C.	$127,505	$149,320	$204,390	$250,158	$444,860	$414,780	$455,917	9.9
	Total	$1,093,864	$1,603,464	$2,088,440	$2,855,913	$5,057,923	$5,078,109	$5,670,042	11.7
Operating Expenses (2)	N.C.	$100,289	$113,226	$157,364	$205,552	$430,294	$360,280	$433,808	20.4
	Total	$873,024	$1,148,655	$1,546,483	$2,138,465	$4,350,610	$4,407,926	$4,748,735	7.7
Net Operating Income	N.C.	$27,216	$36,094	$47,034	$44,606	$14,566	$54,500	$22,109	(59.4)
Before Taxes	Total	$220,840	$454,809	$541,957	$717,448	$707,313	$670,183	$921,307	37.5
Fixed Charges	Total	$48,718	$82,923	$124,858	$156,395	$192,715	$177,003	$172,022	2.8
Other Income (Deductions)	Total	$79,734	$102,194	$59,330	$98,410	$457,601	($101,675)	$393,023	N/A
Taxes (3)	Total	N/A	N/A	N/A	N/A	N/A	N/A	$378,881	N/A
Net Income	Total	$128,452	$185,117	$184,188	$254,805	$650,316	$391,505	$763,427	95.0
State Income Tax	N.C.	N/A	$447	$499	$700	$2,777	($372)	$754	N/A
Real Estate/Personal Property Taxes	N.C.	N/A	$3,551	$3,158	$3,554	$4,491	$5,425	$7,426	36.9
Other N.C. Taxes (4)	N.C.	N/A	$1,089	$3,494	$4,391	$5,356	$4,903	$4,527	7.7
Total Taxes Paid or Accrued	N.C.	N/A	$5,087	$7,151	$8,645	$12,624	$9,956	$12,722	27.8
Operating Ratio (5)	N.C.	78.7%	75.8%	77.0%	82.2%	96.7%	86.9%	95.2%	9.6
	Total	79.8%	71.6%	74.1%	74.9%	86.0%	86.8%	83.8%	3.5
Balance Sheet Items:									
Net Book Value--Transportation Property	Total	$2,885,385	$3,834,060	$4,619,310	$5,132,857	$6,221,216	$8,173,999	$8,431,972	3.2
Statistics:									
Average Miles of Road Operated	N.C.	4,419	4,464	4,340	4,169	4,071	3,852	3,467	(10.0)
	Total	26,471	31,371	30,818	30,917	30,289	30,086	29,029	(3.5)
Freight Revenue	N.C.	$111,028	$138,395	$192,469	$242,474	$423,795	$397,477	$445,227	12.0
	Total	$968,343	$1,460,820	$1,988,588	$2,768,813	$4,908,851	$4,939,220	$5,516,108	11.7
Tons of Revenue Freight Hauled (000s)	N.C.	70,984	96,733	118,694	106,682	125,428	98,928	104,798	5.9
	Total	357,490	517,771	572,617	644,870	595,139	474,121	523,053	10.3
Freight Revenue Per Ton	N.C.	$1.56	$1.43	$1.72	$2.27	$3.38	$4.02	$4.25	5.7
	Total	$2.71	$2.82	$3.65	$4.29	$8.25	$10.42	$10.55	9.2
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	42,900	51,706	61,789	61,473	68,849	51,399	51,883	(1.6)
No. of Employees Allocated (6)	N.C.	10,577	8,306	7,340	6,869	7,031	6,253	6,183	(1.1)
Total Compensation of Employees (000s) (6)	N.C.	$58,772	$56,455	$69,467	$96,225	$142,622	$158,460	$160,162	1.1
Average Annual Compensation/Employee (6)	N.C.	$5,557	$6,732	$9,464	$14,009	$20,285	$25,341	$25,904	2.2
Highway Railroad Grade Crossings (7)	N.C.	4,419	4,421	4,362	4,064	6,765	7,876	5,475	(30.5)
No. Killed--Grade Crossings Accidents	N.C.	N/A	64	39	25	34	19	16	(15.8)
No. Injured--Grade Crossing Accidents	N.C.	N/A	144	183	135	96	99	71	(28.3)

(1) Class III Railroads were exempted from filing an annual report with the North Carolina Utilities Commission (Docket No. R-26, Sub 2., March 5, 1982); therefore some figures may not reflect all the Class III railroads.
(2) Before Tax Accruals and Net Rent.
(3) Taxes have not been broken down for the total company until 1984.
(4) Includes Franchise Tax.
(5) Effective 1-1-78, Class I & II railroads began recording their operation in conformance with the revised Uniform System of Accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the periods after 1975. The prior years were not restated to reflect the changes.
(6) Estimate for 1984.
(7) The number of highway rail crossings includes an estimate of crossings by Southern Railway Company.